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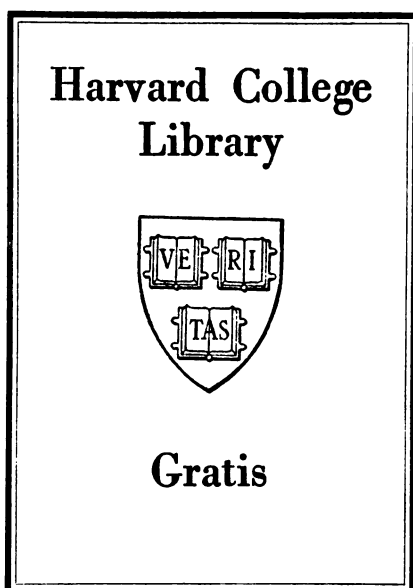
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PROCEEDINGS  
OF THE  
NATIONAL TARIFF CONVENTION

HELD AT THE  
COOPER INSTITUTE, NEW YORK,

NOVEMBER 29 AND 30, 1881.

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STENOGRAPHICALLY REPORTED BY R. A. WEST.

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PHILADELPHIA:  
THE AMERICAN IRON AND STEEL ASSOCIATION,  
No. 265 SOUTH FOURTH STREET.  
1882.

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# CONTENTS.

	PAGE.
CALL FOR THE CONVENTION, . . . . .	4
ADDRESS BY COL. D. F. HOUSTON, . . . . .	5
ADDRESS BY HON. GEORGE B. LORING, . . . . .	6
ADDRESS BY PETER COOPER, . . . . .	19
PERMANENT ORGANIZATION OF THE CONVENTION, . . . . .	26
ADDRESS BY HON. WARNER MILLER, . . . . .	28
LETTER FROM HON. JAMES G. BLAINE, . . . . .	34
ADDRESS BY JOHN H. RICKETSON ESQ., . . . . .	35
ADDRESS BY HON. WILLIAM MCKINLEY, JR., . . . . .	49
ADDRESS BY MR. STOCKTON BATES, . . . . .	54
ADDRESS BY HON. JOSEPH SHELDON, . . . . .	60
ADDRESS BY HON. WM. D. KELLEY, . . . . .	72
ADDRESS BY MR. WM. A. GELLATLY, . . . . .	94
ADDRESS BY HON. WILLIAM WARD, . . . . .	97
ADDRESS BY MR. JOHN THOMPSON, . . . . .	100
ADDRESS BY MR. JOSEPH WHARTON, . . . . .	104
ADDRESS BY MR. JOHN JARRETT, . . . . .	118
ADDRESS BY MR. WELLINGTON SMITH, . . . . .	123
ADDRESS BY COL. JOHN SCRIVEN, . . . . .	125
ADDRESS BY MR. F. J. KINGSBURY, . . . . .	127
PAPER BY MR. ALEXANDER H. JONES, . . . . .	129
ADDRESS BY MR. R. H. TAYLOR, . . . . .	142
ADDRESS BY MR. JOHN ADAMS, . . . . .	143
ADDRESS BY MR. ISAAC CLINE, . . . . .	144
ADDRESS BY HON. J. B. GRINNELL, . . . . .	145
ADDRESS BY HON. J. HART BREWER, . . . . .	148
ADDRESS BY MR. G. W. MOORE, . . . . .	154
ADDRESS BY MR. G. B. STEBBINS, . . . . .	156
ADDRESS BY HON. LEWIS D. HAWLEY, . . . . .	158
PAPER BY MESSRS. WARE & GRIMSHAW, . . . . .	159
ADDRESS BY HON. W. S. SHALLENBERGER, . . . . .	164
ADDRESS BY MR. J. B. MEAD, . . . . .	166
ADDRESS BY MR. J. C. STEVENS, . . . . .	166
ADDRESS BY MR. R. B. OSBON, . . . . .	167
ADDRESS BY MR. PETER K. DEYO, . . . . .	170
ADDRESS BY MR. THEODORE C. BATES, . . . . .	171
ADDRESS BY MR. JAMES DOBSON, . . . . .	173
ADDRESS BY MR. EDWARD ROCKWELL, . . . . .	178
ADDRESS BY MR. M. C. COOK, . . . . .	175
ADDRESS BY MR. E. S. HARTSHORN, . . . . .	176
ADDRESS BY MR. ALBERT BRIGGS, . . . . .	177
ADDRESS BY MR. H. H. ADAMS, . . . . .	178
ADDRESS BY MR. TITUS SHERRARD, . . . . .	181
ADDRESS BY MR. HAMILTON S. WICKS, . . . . .	182
ADDRESS BY MR. JOHN F. HENRY, . . . . .	187
ADDRESS BY MR. JAMES E. EMERSON, . . . . .	188
ADDRESS BY MR. CLINTON FURBISH, . . . . .	190
ADDRESS BY MR. JOHN W. HINTON, . . . . .	192
ADDRESS BY MR. D. G. CAHOON, . . . . .	193
PAPER BY HON. JOHN BURT, . . . . .	195
PAPER BY MR. W. R. THOMAS, . . . . .	198
PAPER BY DR. JAMES WILHELM, . . . . .	199
ADDRESS BY MR. JOHN ROACH, . . . . .	203
ADDRESS BY HON. EDWARD T. JOHNSON, . . . . .	227
REPORT OF COMMITTEE ON ADDRESS AND RESOLUTIONS, . . . . .	249
APPENDIX, CONTAINING MEMORIALS AND SUNDRY RESOLUTIONS, . . . . .	263

# CALL FOR A TARIFF CONVENTION AT NEW YORK.

A NATIONAL CONVENTION OF REPRESENTATIVES OF THE AGRICULTURAL,  
MANUFACTURING, AND COMMERCIAL INTERESTS OF THE COUNTRY

WILL BE HELD AT THE

COOPER INSTITUTE, IN THE CITY OF NEW YORK,

*On Tuesday and Wednesday, the 29th and 30th days of November, A. D. 1881,*

The first Session to be held at the hour of 10 o'clock, A. M.,

FOR THE PURPOSE OF CONSIDERING AND RECOMMENDING SUCH CONGRESSIONAL  
ACTION AS WILL PROMOTE DOMESTIC AND FOREIGN COMMERCE, AND  
AFFORD ADEQUATE PROTECTION TO AMERICAN INDUSTRY.

The grave questions of public concern to be acted upon will be as follows:

FIRST.—Immediate remedy of the injuries done by decisions of the Treasury Department and the Courts, which have so construed the Tariff Laws in many cases as to legalize evasions of Customs Duties, to prostrate numerous important American Industries, and give to Foreign Manufacturers large sums of money which should go into the Treasury of the United States; decisions which the Secretaries of the Treasury, in some instances, have declared to be wrongs which Congress should be asked to remedy.

SECOND.—The appointment of a competent Commission to thoroughly investigate and report upon the Progress, Condition, and Needs of American Industries, and to recommend such Tariff Legislation as will be Protective in character, consistent in all its parts, and adapted to the present condition of the Business of the Country.

THIRD.—The consideration of the policy of an Early and Progressive Reduction of Internal Taxes by the General Government.

FOURTH.—The maintenance of a favorable Balance of Trade, and the Enlargement of our Markets for American Products, by the Promotion of our Shipbuilding Interests and Foreign Commerce.

The Convention will consist of six hundred delegates. The basis of representation of trades and industries will be notified to them by the Executive Committee, and communications relating to the Convention or its business may be addressed to D. F. Houston, Chairman, Thurlow, Pa.; to James M. Swank, Secretary of The American Iron and Steel Association, Philadelphia; or to Marcus Hanlon, Secretary, care of THE AMERICAN PROTECTIONIST, No. 305 Broadway, New York.

By order of the Executive Committee.

D. F. HOUSTON, *Chairman.*

MARCUS HANLON, *Secretary.*

## PROCEEDINGS OF THE CONVENTION.

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THE delegates to the National Tariff Convention assembled at the Cooper Institute, in New York City, at 10 o'clock, A. M., on November 29, 1881. Col. D. F. Houston, of Chester, Pa., Chairman of the Executive Committee, called the meeting to order, and directed Marcus Hanlon, the Secretary of the Committee, to read the call for the Convention. After the call was read Col. Houston delivered the following address.

### ADDRESS BY COL. D. F. HOUSTON.

GENTLEMEN : We thank you for your presence to-day, thus renewing the assurance of your devotion to the material interests of our people. The gentlemen of the committee under whose auspices we have assembled are gratified that all the industries invited to participate in the proceedings of this National Tariff Convention are largely if not fully represented. The call is not only national in its character, in so far as territory is concerned, but national so far as the diversified industries of our country are affected by national legislation. It is not a call for an organized movement to multiply and further increase the imposts upon either the luxuries or necessities of our people, but rather for an effort to reduce those that are now onerous, and as speedily as possible release the business of our country from the excise taxes now levied and collected by the internal revenue system.

It calls for harmonious action to secure immediate remedy for injuries done to American industries by decisions of the Treasury Department and the courts, based upon wrong conceptions of the law ; also for the serious consideration by the delegates of the important question of how we shall best promote the shipbuilding interests of our country and extend our foreign commerce.

It calls for a recommendation to Congress for the appointment of a commission of experts, to take into consideration the question of a revision of our tariff laws as now framed, and adapt them to the present condition of the business of the country.

We desire that the revision shall be in the interest of labor, and that the policy of Congress shall be to legislate for American interests, and protect our workmen and mechanics.

We cherish no thought of increasing the so-called burdens of our people, but are earnest in our efforts to seek the best methods to relieve the industries that are now depressed by reason of adverse decisions or ill-advised enactments by the law-giving power.

There are present, and participating in the organization of this Convention, delegates from all the manufacturing industries of our country, as well as delegates representing the agricultural interests which produce our wool, the cereals, sugar, tobacco, cotton, and flax, each having an equal interest in the continued prosperity of our country.

This is the third National Tariff Convention composed of delegates regularly elected by the various industries that has convened in our country, and I may say this is the first that has included in its membership the manufacturer and the workmen of the industry represented, thereby securing to labor an equal representation with capital.

As our interests are mutual, it is our duty to act in harmony. In our discussions of the propositions suggested by the call under which we assemble, let us hope that our deliberations will be such as to recommend the greatest good to the greatest number, always remembering that any interest, when examined by the light of truth and fact, that fails to stand the searching test of right should not receive the fostering care of the nation.

I am requested by the Executive Committee to present for your acceptance as Temporary Chairman of this Convention Hon. George B. Loring, United States Commissioner of Agriculture, whom I have the honor to introduce to you, and who will now address you.

### ADDRESS BY HON. GEORGE B. LORING,

#### COMMISSIONER OF AGRICULTURE.

GENTLEMEN: It is usual, in conventions of this character, for the temporary presiding officer to present his views to the gentlemen assembled. In accordance with my inclination, and in response to the expressed wishes of the Executive Committee, I desire to ask your attention to a few remarks upon the relations of the industries of this country, one to another.

The rapid growth of American enterprise constitutes one of the

most important and interesting chapters in the history of civilization. The stories of discovery and conquest, of commercial adventure, and of military power have charms which more prosaic occupations are not expected to possess, and yet they all sink into insignificance before the recital of the steady and triumphant march of the vast army of untiring and devoted sons of industry who have cleared the forests, and opened the mines, and chained the waterfalls, and built the great highways of travel and transportation over valleys and through mountains, and erected churches and school-houses, and organized cities and towns, and fed and clothed and educated themselves, and have filled the commerce of the world with the products of their toil. The chosen career of the American people has been a career of peaceful industry, and our achievements on this field have won the admiration of the world from our infancy to our maturity and strength. More than three-quarters of a century ago Sheridan exclaimed in the House of Commons, "America remains neutral, prosperous, and at peace . . . Turn your eyes to her. View her situation, her happiness, her content. Observe her trade and her manufactures adding daily to her general credit, to her private enjoyments, and to her public resources; her name and government rising above the nations of Europe with a simple but commanding dignity that wins at once the respect, the confidence, and the affection of the world." And, contemplating the genius of our institutions and the vital force of our republic, De Tocqueville declared, "There will then come a time when there will be seen in North America one hundred and fifty millions of men equal among themselves, who will all belong to the same family, who will have the same point of departure, the same civilization, the same language, the same religion, the same habits, the same manners, and among whom thought will circulate in the same form and paint itself in the same colors. All else is doubtful, but this is certain. Now here is a fact entirely new in the world of which imagination itself can not grasp the import."

Unchecked by war, and defiant of all disaster, this republic has increased in population at the rate of a million a year during the last decade, rivaling now every country in the world except Russia, and attracting to her shores vast communities of people from those crowded and impoverished nationalities. Thriving States and populous cities spring up here like magic. The products of new and fertile lands are borne to the great centres of trade which are created everywhere by the necessities of a teeming population.

The civilization which is advancing with such rapid strides from sea to sea is indeed a civilization of thrift, intelligence, and morality. Prosperous industry is here the pioneer of education; the cultivated farm and the profitable mill preparing the way for the library and the lyceum, the school-house, and the meeting-house. Conscious of the responsibilities and duties which attend them wherever they go, and proud of that individuality which freedom bestows upon every man who enjoys her influences, this aspiring and industrious people of ours has endowed schools and colleges on every hand, has established more than seventy thousand churches, has provided places of worship for more than twenty millions of worshipers, and has church property valued at \$350,000,000. You will pardon me, I am sure, if I rehearse to you that wonderful development of industry out of which this mental, moral, and religious culture has grown, and for the encouragement of which you have assembled in the great commercial emporium of this country—an emporium which, if our population and industries increase, is destined to become the centre of traffic and exchange for the entire commercial world.

In agriculture the growth of our country has been astonishing, and accounts for that vast internal and foreign commerce out of which has grown so much of our financial success. It is not necessary to go back a half century or even 25 years to obtain the most gratifying evidence of our progress in the work of tilling the soil. But, starting in 1870, at which time we had reached an enormous production in proportion to our population, and making our comparisons with the returns of 1880, we may learn what can be accomplished in a single decade by a people constantly increasing in numbers and occupying new lands. In 1870 the amount of cotton produced was 4,352,317 bales; in 1880, more than 6,000,000 bales. In 1870 the amount of Indian corn raised was 760,940,594 bushels; in 1880, 1,754,449,435 bushels. In 1870 the wheat crop was 287,745,626 bushels; in 1880 it was 459,667,032 bushels. In 1870 the crop of oats reached 282,107,157 bushels; in 1880, 407,859,033 bushels. In 1870 the tobacco crop amounted to 262,735,341 pounds; in 1880 it amounted to 473,107,573 pounds. The increase of agricultural products was nearly one hundred per cent. in these ten years, and in the last year of this decade, out of this vast increase of our crops and products, our cattle export rose from \$13,000,000 to \$14,000,000; corn, from \$43,000,000 to \$50,000,000; wheat, from \$167,698,000 to \$190,546,000; flour, from \$35,000,000 to \$45,000,000;



cotton, from \$209,852,000 to \$245,534,391; beef, from \$7,000,000 to \$12,000,000; lard, from \$28,000,000 to \$35,000,000; and pork, from \$5,000,000 to \$8,000,000 annually.

Mark also the growth of American manufactures in half a century. In 1830 the amount invested in cotton manufactories was a little more than \$40,000,000; the number of spindles was a million and a quarter; the number of males employed was 18,539, and the number of females was 38,927; and the amount of cotton used was 77,759,316 pounds. Fifty years have passed away, and the number of spindles has increased to 10,769,147; the amount of cotton used in 1880 was 793,240,500 pounds; the number of persons employed was 181,428; and the amount of capital invested in mills and subsidiary work was more than \$225,000,000. Of our woollen manufactures the statistics are more imperfect, but I have ascertained that in 1840 the capital invested in this enterprise was \$15,565,124; the number of pounds of wool used was 50,808,524; the number of hands employed was 21,324; and the value of the product was \$20,696,699. In 1880 the value of woolens, worsteds, carpets, and hosiery produced was \$234,587,671; the amount of wool used was 187,616,605 pounds; the wages paid amounted to \$45,959,012; the total value of the materials used was \$145,141,798; and the product increased from 1870 to 1880 nearly \$20,000,000. In 1870 the silk productions of the United States were valued at \$12,210,662; in 1880, at \$34,410,463. Fifty years ago the shoe and leather industry had hardly a national reputation; in 1870, however, there were 4,237 tanneries in the United States, employing 20,784 hands, using a capital of \$42,710,505, paying in wages \$7,934,416 annually, producing leather valued at \$86,169,883, using more than \$9,000,000 worth of bark, nearly 9,000,000 hides and 9,640,000 skins. There were also 3,085 currying establishments, employing 1,000 hands, absorbing \$12,000,000 capital, and producing \$54,191,167. There were, moreover, 3,151 establishments for the manufacture of boots and shoes, employing 91,702 hands, with a capital of \$37,519,019, paying in wages \$42,504,444 annually, using \$80,502,718 worth of leather, manufacturing boots valued at \$50,531,470, and shoes valued at \$93,876,203, with a total production valued at \$146,704,000.

The growth of the iron and steel industry has been equally remarkable. In 1810 we produced but 50,000 tons of iron, and our largest furnace could yield but 1,500 tons annually; in 1830 the product was 165,000 tons; in 1840, 315,000 tons; in 1848,

800,000 tons; in 1860, 1,000,000 tons. In 1880 the iron and steel works of the United States produced 7,265,100 tons, as against 3,655,215 tons in 1870. The capital invested was \$230,971,884; the number of hands employed was 140,978; the wages paid amounted to \$55,476,785; and the value of all the products was \$296,557,685. In the manufacture of machinery the capital invested has increased from \$15,000,000 to \$40,000,000 in 20 years, and the annual value of the product is more than \$20,000,000.

The aggregate annual product of the manufacturing and mechanical industries of the United States is now more than \$6,000,000,000. Of this vast product less than \$200,000,000 are exported. And of the \$9,000,000,000 produced by agriculture less than ten per cent. is exported. On the self-supporting power of the American people and of the mutual relations existing between our industries we can dwell as Americans with the most profound satisfaction.

I have alluded to the producing power of the American people, but in order to understand the relations which exist between our industries we should not forget our consuming capacity also. Of the \$15,000,000,000 produced by our various industries nearly \$14,000,000,000 are consumed at home. It is the home market to which the American producer turns most naturally, let his industry be what it may. In fact, the law of our largest and most widely-diffused industry, agriculture, is the cultivation of those crops which are adapted to a local market, and the occupation of lands lying near such a market. Not yet has this law become universal, it is true, but it applies to the older and thickly-settled sections of our land, and goes with diversified industries wherever they create large cities and towns. Fifty years ago the farmer was compelled to seek his market near home on account of the difficulty which attended the transportation of his crops, but the settling of new and remote lands, and improved methods of transportation, rendered the growing of the great staples a necessity, and corn, wheat, and provisions occupied the farmer's attention, and opened to him remote and even foreign markets for his gains. This frontier farming, however, is but temporary, and must be followed by that systematic husbandry which constitutes the legitimate business of the American farmer, and carries him back to those days when agriculture was almost the sole business of the country, and when a farming community was uniformly prosperous if prudent and industrious. While our large towns and

our manufacturing States therefore provide markets for a large portion of the products of the pastures and grain fields of the West, they also support that more profitable system which consists in a careful cultivation of the soil and in the economical management of small farms. The trade of this home market to which I have alluded is immense, and the sources of supply in all their variety form an interesting topic for consideration.

New England requires about 20,000,000 bushels of wheat, and produces only one and a quarter millions. New York uses about thirty millions, and grows about twelve. The supply of this deficiency comes from the West—from the Ohio valley and the prairies west of the Mississippi and the Missouri, and costs from forty to fifty million dollars in years of good production, but still more in the present year of comparative scarcity.

To assume, from the fact that New York goes West for six-tenths of her wheat supply, that wheat-growing is an unprofitable industry there would be an unsafe and unreliable conclusion. There are eight counties south of Lake Ontario which yielded 6,086,867 bushels in 1879 on 327,269 acres, or 18.6 bushels per acre—a rate more than fifty per cent. above that of Minnesota or Dakota, and somewhat higher than that of California, for the same year. Thus an important part of the deficiency of other counties in New York was supplied by the surplus grown in the Seneca valley and its neighborhood. There is another district lying eastward toward the Hudson river and southward toward the Delaware that finds a greater profit in the dairy—making a production in butter and cheese worth far more than the grain procured from the West. Not only are the home wants in dairy products supplied, but a large share of the 120,000,000 to 140,000,000 pounds of cheese exported from year to year is credited to this district, bringing a vast amount of money from Europe, a part of which only is contributed to the aid of the Western wheat-growers. Going still nearer the seaboard to Dutchess and Westchester counties, and the fruitful sands of Long Island, we find more people and less wheat, and the soil devoted to market gardening, yielding under the most favorable circumstances a gross product worth a thousand dollars per acre—enough to buy a quarter section of superior wheat land west of the Mississippi. In the immediate vicinity of New York City the product of market gardening swells to millions of dollars. Ten years ago the census reported more than a million dollars' worth in Queens county alone, and the present enumeration must,

when tabulated, show an immense increase for this suburban district. The neighborhood of Boston and Philadelphia and every other large city is monopolized by market gardens, and the country about Norfolk, Va., is mainly devoted to fruit and vegetables for Northern consumption. The fruits of the country, a perishable commodity, must be produced as near as possible to the points of principal consumption. The domestic fruits alone furnish New York a large trade of more than nine millions of dollars. Chicago, which supplies the great Northwest, has about as much, and the other large cities of the country would swell the total amount to about sixty million dollars. Could all the fruits sold in smaller cities and villages be added, and those consumed on farms and village lots be enumerated, it is probable, judging by careful deductions from available data, that the annual value of the fruits of the United States would not fall much below two hundred million dollars.

Thus the distribution of farm products is found to arise from a multiplicity of causes. Soil, climate, nearness to large cities, prices of land and labor, facility for obtaining labor at required times or seasons, skill in special industries developed by long practice, conservative persistence in time-honored usage, and many other causes, serve to distribute in patches, large or small, the crops which furnish the products of American agriculture. The great cereal crop of the country, Indian corn, which is only exceeded by grass in universality of distribution, constitutes more than 17 hundred million of the 27 hundred million bushels of grain of 1879. It is found in every State and in every Territory, with one or two exceptions; yet this crop can not escape the law of special local attraction. The three States, Illinois, Iowa, and Missouri, yield 800,000,000 bushels, or 45 per cent. of the crop, and only seven States, including Indiana and Ohio on the east and Kansas and Nebraska on the west, ever have any considerable surplus above the requirements of home consumption. The remaining 31 States and all the Territories produce together but 37 per cent. of the crop, at the rate of only 19 bushels per acre—but half the rate of yield of the corn belt.

The receipts at the seaboard cities for exportation and consumption, including all kinds of grain, ground and unground, aggregated 352,921,452 bushels in 1879 and 369,559,607 bushels in 1880. The whole eastern movement of Western grain, including shipments to interior points on the Atlantic slope, must somewhat exceed 400,000,000 bushels—not more than one-sixth of the total production

of an abundant year, and less than one-fourth of the lightest crop the most disastrous season is likely to yield.

The relations which are thus established between the agricultural and manufacturing interests of our country not only affect the material prosperity of the farmer, but they provide him with that social enjoyment upon which the happiness of an educated people largely depends, and rouse him to that energetic action which gives strength to all his powers. The isolation of farm life incident to sparsely-settled regions is one of the trials which the American is anxious to avoid, and when he leaves the outlying farm and secures a home nearer the haunts of men he places himself within reach of the lyceum and the library, and easy and convenient intercourse with his fellow-men. The comforts and adornments of his home are increased, and farming becomes to him an occupation analogous to those branches of business which tempt men away from the loneliness of the country to the pleasures and opportunities of the city. The tendency of our rural population to abandon the exhausted farms and seek lands nearer a populous market is by no means an evidence of agricultural decline. It indicates rather a disposition to take advantage of those circumstances which lead to more active industry and more profitable labor. It is the same spirit of enterprise which has induced many farmers to abandon general agriculture and devote themselves to special crops, and has led the casual observer to infer that the cultivation of the soil was being abandoned. I have known the statistical returns of many evidently thrifty and prosperous farming communities to indicate a reduction of the products of the farm, and to lead to the supposition that because the cereals and animal products were diminishing the lands were being deserted. But a more careful examination has always revealed the fact that it was a change in the industry alone which had taken place, and for those crops which met with competition from the cheap and fertile lands of the West had been substituted the products of the market garden, with all the profit which goes with this mode of manipulating the land. As this system extends, and manufacturing cities and towns multiply, the returns of our farms will be largely increased, and the average yield of our land per acre will be greatly enlarged.

It is the intimate relation between agriculture and manufactures which makes general farming what it is, and will gradually make American farming what it should be. The benefit, moreover, which the manufacturer derives from his free and intimate relations with

the agriculture of the country can not be overlooked. On the one hand, drawing his raw material largely from the immense and various resources of our country—iron, cotton, wool, hides, etc.; and, on the other hand, finding a home market in the great agricultural regions, the American manufacturer possesses opportunities and advantages hardly known to any other country on earth, and illustrating most forcibly the self-supporting power of our people. So closely are these interests united that what benefits one naturally benefits both. What injures one injures both. The same policy which has been extended over our mills has been extended also over our fields, and the results in both cases will demonstrate its true value. While the American manufacturer has furnished the American farmer with almost all his necessary articles, such as cotton goods and fabrics, boots and shoes, axes, forks, spades, shovels, hoes, harrows, plows, rakes, cultivators, reapers, mowers, wagons, tinware, glassware, etc., cheaper than they can be purchased in the English market, the American farmer has furnished his products, wool, cotton, provisions, grain, etc., at rates established by our own supply and demand, and not in accordance with rates fixed abroad. The traffic is free and equal, and it is between parties enjoying equal privileges and opportunities; rates of interest, wages of labor, taxes, social and civil expenses, all being regulated by one system, and varying only with different localities.

As the two great pillars of American industry they have received equal consideration from the Government. Not only is a duty laid on goods of foreign manufacture, but there is also laid on all animals, except for breeding purposes, a duty of 20 per cent.; on wool, from 10 to 12 cents per pound, and from 10 to 12 per cent. *ad valorem* added; on sugar, from 2 to 5 cents per pound; on corn, 10 cents per bushel; on barley, 15 cents; on wheat, 20 cents; on oats, 10 cents; on butter and cheese, 4 cents per pound; on tobacco leaf unmanufactured, 35 cents per pound. And the American farmer may well remember that under this policy the clip of wool in this country has risen from 60,000,000 pounds in 1860 to 250,000,000 in 1870, and that in our advancing agriculture we have devoted to wheat 50,170 square miles; to corn, 80,610; to oats, 20,500; to barley, 2,810; to hay, 42,080; the corn and wheat alone covering a larger area than the United Kingdom of Great Britain and Ireland. And these two great producing industries, engaged in supplying each other with all that enters into the material comfort and welfare of life at the lowest possible rates, may also remember that

their products are now transported on American steel rails costing \$60 per ton as against \$140 when furnished by the rolling mills of England, and with freight rates reduced accordingly.

When these two great industries unite in the work of developing American resources it is not to be supposed that they who laid the foundation of this Union anticipated the great and radical change which has taken place since their day. They could not have foretold the ocean-defying steamship, and the land-defying railroad, and the time-defying telegraph. They could not have listened amidst the quiet repose of their luxuriant farms for the busy hum of great cities. But they performed their work well in their day and generation, and they set an example of industry and foresight which we may well follow. And I am compelled to believe that they anticipated the time when the people of this country would be engaged in mutual industries for mutual support, and when the twelve millions of people of their day would become the fifty millions of our own, busy and consuming in the great commercial and manufacturing centres, busy and producing in the great agricultural regions, each industry leaning on its fellow, and all united in establishing American supply for American markets, and regulating prices in accordance with the wants of American labor and the value of active American capital.

The production of supplies and the existence of a market have always created a necessity for a system of transportation, which constitutes one of the co-operative industries of society. The modern methods of transportation by steam, both on land and water, have given new value to lands, new opportunities to mills, new markets and values to crops; and it may be safely said that the addition of a powerful and rapid means of transportation has not only given new life to all the old industries, but has added a new one of inestimable value and importance. The labor and expense of exchanging commodities have been so far diminished in our day that every producing industry is now able to employ its time and means to the best possible advantage. No time is now wasted by the manufacturer in traveling from his mill to his market; none by the farmer in transferring his crops from his fields to the consumer. No limit is now put to the capacity of the mill, the capital absorbed, and the hands employed, by distance and obstacles on sea and land. The farmer, whose time and men and horses were fully employed in hauling the crops of a hundred acres to market fifty years ago, can now employ his force at home in increasing the crop ten times

on that area of land, while it is harvested and borne to market by machinery. Lands which were once useless to the cultivator are now brought by rail to the very doors of the market required by their crops. And not only is the transporting capacity of each individual increased, but the force which can be retained for work on the land is vastly enhanced, as well as the profit on the crop itself. When, many years ago, the railroad from Springfield, Illinois, to the Illinois river was opened, it was announced in a leading newspaper of that day: "One week before the railroad was finished corn could be had here in any quantity at 15 cents a bushel; now not a bushel can be had for less than 25 cents." With the system of farming which I have defined, and the system of transportation which we possess, the producing power of American labor and land is almost unlimited.

The relations which have been established between these active and vigorous industries to which I have alluded have produced upon society, moreover, a degree of mental energy and general intelligence never equaled in any age of the world. In the affairs of life now a man's head is considered to be worth as much as his hands, the relative market value of these two commodities having materially changed since "common and concurrent mind" began to assert itself and its supremacy. Mark the amount of intelligence required to manage and run our railroads: the foresight, prudence, and comprehension of the president, the watchful systematizing power of the superintendent, the activity and self-possession of the conductor, the headlong courage of the engineer who plunges through mountains and over-rides valleys in his career, the laborers who grow intimate with the vast and intricate mechanical forces employed in this great civilizing business, and it is easy to see why it should demand and create intelligent labor—an aggregation of untiring intellects all acting upon each other from the highest to the lowest, in a way unknown to slower and more circumscribed systems of travel and transportation. The constant and rapid intercourse of the present day—passage by steam and communication by magnetism, the subjugation and use of mechanical forces in all their might and in all their delicacy by superior and commanding minds—has inspired and elevated the observant and co-operative masses of men to a degree hardly surpassed by the training of our public schools. While, therefore, the business of life, as represented by our railroads and steamships and telegraphs and mills and improved modes of agriculture, demands intelligent



labor, it joins hands with the schools and does its share of the work of education.

Before the incessant activity and extended relations created by the accelerated business methods of modern days—by transportation which opens the markets of New England to the living products of the pastures of Illinois, and carries the laborer in a day from the locality where he is not wanted to the locality where he is wanted; by machinery, which creates faster than a destructive and extravagant people even can consume, and casts the printed page broadcast over the land, driving the distaff and the spinning-wheel into seclusion, and mocking the tedious toil of the hand-press—we can not if we would become stationary in our habits and deliberate under our necessities. To pause now is simply to be trampled on by the multitude. We must travel by steam; we must send our wool to mill, our milk to the factory; we must know how much gold there is in California, and silver in Arizona, and coal in Pennsylvania, and copper at Lake Superior; we must read the last message of the President, the last debate in Congress; we must know something about Gladstone and John Bright and Gambetta, something about Yorktown and Atlanta; we must use a steel pen and mowing-machine and a horse-hoe and a tedder and a horse rake; we must exchange photographs with our friends, and endanger our privacy with a telephone, and recognize in every way the marvelous diligence of man in his use of light and heat and air and earth and sea for his own comfort and convenience, or make up our minds to live in the world as not being in it. We must realize the relations of our industries, the combination of industrial forces, which make modern society what it is, if we would perform our part well, and comprehend the genius of the age.

In the hasty sketch I have given of the relations of the industries of this country one to another I have not included the numerous occupations which grow out of the ingenious conversion of iron, wool, cotton, flax, the precious metals, and minerals, into articles of use and beauty for the supply of man's comforts, and the gratification of his tastes. They form an interesting and important part of the great group, and occupy a large share of the profitable labor of our country. It is by their development that the great cities are enabled to pour forth their enormous manufactured product: New York, \$435,592,921, annually; Philadelphia, \$420,408,458; Brooklyn, \$166,700,878; Chicago, a city that was in ashes a few years ago, \$228,440,964; Boston, \$118,087,019—according to the census

returns of 1880. And they have lent their aid toward increasing the wages of labor in our mills in 40 years from \$2.00 to \$3.50 per day for overseers; from \$1.50 to \$2.00 for second hands; from 92 cents to \$1.10 for pickers; from 80 cents to \$1.10 for card strippers; from 67 cents to \$1.10 for weavers; and agricultural labor in the Eastern States from \$8.00 per month to \$16.00, \$20.00, and \$25.00, with board and lodging.

In conclusion, gentlemen, I have been requested to set forth my views with regard to that department of the Government which represents a great industrial interest in our country and over which I have recently been called to preside. The Department of Agriculture has been engaged for 15 years in encouraging and developing the industry which it specially represents, and it has performed this service faithfully. During this time the interests which cluster around agriculture, and to which I have already alluded, have largely multiplied, and their importance has greatly increased. The connection of agriculture with the manufactures which consume the raw materials drawn directly or indirectly from the soil—iron, wool, cotton, flax, etc.,—has become more and more intimate as these great industries have grown and prospered. This must be manifest to all. The details of land and water transportation interest immediately the producer, and affect his prosperity. No argument is necessary to prove this. I have therefore suggested statistical bureaus of these enterprises as a part of a department devoted to agriculture and statistics. The Department of Agriculture should undoubtedly be the nucleus around which can be gathered those associate industries which depend on agriculture for their existence, and in turn make agriculture profitable and in many sections possible. Statistical returns of our manufactures with an illustrative display of their products would do much to unify and develop the manufacturing industry of our country. An accurate statistical record of the organization, cost, expense, and methods of our various means of transportation would do much to establish a uniform system of land and water carriage among us. Accurate surveys and returns of our mineral lands with the various industrial processes employed in working them are of vast importance. A well-organized and consolidated inquiry into the extent and value of our animal industry in all its forms, and of contagious diseases among animals and the best methods of prevention and extirpation, can not be too promptly and thoroughly organized. A bureau containing all possible information with regard to the agricultural

colleges founded by Congress and the associations formed for agricultural investigation and endowed in many instances by the States could not fail to be valuable. A collection of labor statistics analogous to that found in some of the States would be as useful to the general as it is to local governments. The addition of bureaus like these to those already existing in the Department—botanical, chemical, entomological, crop statistics, forestry, and seed distribution—could not fail to constitute a department of great interest and value. The great demand of the times is the collection of facts and figures on which general principles can be based, and from which general deductions can be drawn. A census of our population each decade for apportionment and social and civil information is and will always be necessary. But in a country advancing as this is in every department of industry, and in the development of its resources, annual industrial returns are of the utmost importance. Without considering for a moment the political status of a department devoted to this and kindred work, I think you will agree with me that the time has come for its organization. An active, industrious, and intelligent body of American citizens and producers is entitled to it as a branch of the Government whose value can not be over-estimated, and from whose accumulated information we might learn the true relations of American industries.

A delegate moved that the thanks of the Convention should be given to Dr. Loring for his able, eloquent, and instructive address, and that Peter Cooper, who presided over a similar tariff convention thirty years ago, should put the motion. The Convention rose as Mr. Cooper stepped to the front of the platform, and the motion was unanimously agreed to. Mr. Cooper then delivered the following address.

#### ADDRESS BY PETER COOPER.

GENTLEMEN OF THE CONVENTION: An experience of more than 90 years has compelled me to believe that the Protection of American labor demands from the American people their most profound consideration and their most decided action. The question now to be considered is, whether we, as a nation, are willing to know the truth, and let the truth make and maintain our freedom, or whether we have deliberately determined to follow the advice of men and nations that have a direct and immediate interest in misleading and deceiving us. Trade between foreign nations and our own is a kind of commercial war. It is a war of interests.

It can be shown that the wars of commercial interests are more insidious, and are more to be dreaded, than wars of conquest. There is nothing in all history that admits of more complete demonstration than the fact that the wars of commercial interests carried on by England alone have led to and have caused a greater destruction of life and property during the last 80 years than has been occasioned by all the wars of conquest that have taken place in the civilized world during that period of time. It is now less than 85 years since a company, chartered by Great Britain, commenced a mercantile war on the people of Hindostan, a country with its then 150,000,000 inhabitants, famed for manufacturing the finest quality of goods, and for being in possession of the riches of the East. History tells us that "in no part of the world has there been seen a greater tendency to voluntary association for a mutual exchange of labor than once existed in Hindostan. . . . Each village had its distinct organization, under which the natives had lived from the earliest times down to a recent date. . . . Revolutions might occur, and dynasties might succeed each other; but, so long as his own little society was undisturbed, the simple Hindoo gave himself no concern about what might happen at the capital. . . . Though often overtaxed and plundered by invading armies, the country continued both rich and prosperous" until an East India Company, chartered and sustained by all the power of Great Britain, commenced a war of encroachments on the trade and commerce of that country. This war of commercial interests led to a war of conquest, which, after the battle of Plassey, established British power in India. "The country became filled with adventurers; men whose sole object was to accumulate fortunes, by any means, however foul," as was shown by the indignant denunciation of Burke in the Parliament of Great Britain. Fox declared, in a speech on the East India bill, that "the country was laid waste with fire and sword, and the land once distinguished most above others by the cheerful face of fraternal government and protected labor, the chosen seat of cultivation and plenty, is now almost a dreary desert, covered with rushes and briars, jungles and wild beasts."

Macaulay says: "The misgovernment was carried to such an extent as seemed hardly compatible with the existence of society. They forced the natives to buy dear and sell cheap. They insulted, with impunity, the tribunals, the police, and the fiscal authorities of the country. Enormous fortunes were thus rapidly accumulated at

Calcutta, where 30,000,000 of human beings were reduced to the extremity of wretchedness. They had been accustomed to live under tyranny; but never tyranny like this. Under their old masters they had one resource—when the evil became insupportable the people pulled down the government. But the English Government was not to be shaken off. That government, oppressive as the most oppressive form of barbarian despotism, was strong with all the strength of civilization.” . . . “Under the title of Zamin-das a landed aristocracy was created and held accountable for the collection of the taxes.”

Fullerton, a member of the Madras Council, says: “Imagine the revenue leviable through the agency of 100,000 revenue officers; collected or remitted at their discretion, according to the occupant’s means of paying, whether from produce of the land or his separate property; and in order to encourage every man to act as a spy on his neighbor, and report his means of paying, that he may save himself from all extra demand, imagine all the cultivators of a village liable at all times to a separate demand, in order to make up the failure of one or more individuals of the parish.” . . . Under this state of things “the works constructed for irrigation have gone to ruin, and the richest lands have been abandoned.”

Capt. Westmacot tells his readers that in places the longest under British rule there is the largest amount of depravity and crime. “The immolations of an Indian Juggernaut,” says a recent writer, “dwindle into insignificance before it, and yet to maintain this trade the towns and cities have been in ruins.” The middleman system of Ireland and in the West Indies was transplanted to those countries of the East to which Macaulay declares that “the English Government became as oppressive as the most oppressive form of barbarian despotism.” The poor Hindoo was not allowed to make salt from the waters of the ocean. Every form of tax and exaction was forced on that people in order to drive them to send all their cotton and wool to England (the great workshop of the world) to be converted and returned.

Sir Robert Peel says: “The effects in India exhibit themselves in such a ruin and distress that no parallel can be found in the annals of commerce.”

The great city of Dacca, that only seventy years ago contained 90,000 houses, and exported millions of pieces of the finest quality of goods, is now a mass of ruins. The same authority says: “For the accomplishment of this work of destruction the children of

Lancashire, England, were employed 15 to 17 hours per day during the week, and until 12 o'clock on Sunday cleaning and oiling machinery, for which they received two shillings and nine pence per week. The object was to underwork the poor Hindoo, and drive him from the markets of the world." The pound of cotton, costing in India one cent, was passed through British looms, and sold to the Hindoo for from 40 to 60 cents. "Thus England was enriched as India became impoverished. Step by step British power was extended, and everywhere was adopted the Hindoo principle *that the sovereign, as proprietor of the soil, was entitled to half the gross produce.*"

While these exorbitant local taxes were expended among its own people the burden could be borne; when these taxes were drawn from the people, and expended on absentee landlords, the burden brought desolation and premature death to millions of the people of that country. History tells us that one-half of the labor of that people ran to waste for the want of employment.

The exactions of British power in China, made to force the sale of opium in that country, are stated to cause the death annually of 500,000 of the Chinese people, besides a tax of nearly \$20,000,000.

The ruin of Portugal was effected by the government's having been induced to adopt a British commercial policy that broke up the harmony of the agricultural and mechanical interests—interests that had for so long a time made Portugal rich and prosperous.

"It is less than 200 years since the merchants of London petitioned their government to restrain the manufacture of cloth in Ireland."

Of all the 1,700,000 slaves imported into the British West India Islands, only 660,000 were found living on the day of emancipation. This was the result of a war of commerce. The planters on those islands had been deprived by law of all right "to refine their own sugar, or to introduce a spindle or a loom, or to mine coal, or to smelt their own copper," thus depriving the people of the islands of all power of association, and exchange of labor, and harmony of interests, without which ruin falls to the lot of every community.

The British policy that was forced on the island of Jamaica alone cost the lives of hundreds of thousands of men, in order that a few absentee owners might live in splendor on the island of England. The policy of forcing the whole labor of a community into the single pursuit of making sugar effectually prevented the growth of towns

and schools, and impoverished the people and the land. All communities require the families of the blacksmith, the carpenter, mason, and other tradesmen, to consume a large part of the agricultural product of the soil to secure them prosperity and to enable them to leave offal to enrich the land that feeds them. "On the island of Jamaica, with a population of 320,000 black laborers, and with inexhaustible supplies of timber, that island has been without a sawmill up to 1860."

But a century ago Portugal and the West Indies were England's best customers. What are they now? All impoverished by a policy that has broken up their own home commerce, and has subjected their countries to the heaviest kind of tax—the tax of transporting their heavy products to great distances, to be exchanged for the light products of other countries.

"The first attempt at manufacture in the American colonies was followed by interference on the part of the British legislature. . ." "In 1710 the House of Commons declared that the erecting manufactories in the colonies tended to lessen their dependence on Great Britain." "In 1732 the exportation of hats from province to province and the number of apprentices was limited. In 1750 the erection of any mill or engine for slitting or rolling iron was prohibited. In 1765 the exportation of artisans from Great Britain was prohibited under a heavy penalty. . ." "In 1781 utensils required for the manufacture of wool or silk were prohibited. . ." "In 1782 the prohibition was extended to artificers in printing calicoes, muslins, or linens, or in making implements used in their manufacture. . ." "In 1785 the prohibition was extended to tools used in iron and steel manufacture, and to workmen so employed. . ." "In 1799 it was so extended as to embrace even colliers."

The war of the Revolution of our own country was brought on by a war of commercial interests. It was a war that showed a determination on the part of the mother country to keep her colonies entirely dependent on England for all forms of manufactured articles. Laws were enacted to prevent the colonies from manufacturing out of their own good raw material things indispensable for their own use, and necessary to give employment to those who have nothing to sell but their own labor. The war of the Revolution was a war of resistance to a war of commerce then being forced by the mother country on the colonies. Our conquest of a country did not deliver us from the consummate power of highly educated

British diplomatists, whose business it has always been to find the weak places in surrounding governments, and so to control the legislation of those countries as to make them tributary to the wealth and power of Great Britain.

The people of our country should never forget that one of the great causes that led to the American Revolution was the determination on the part of Great Britain to force its manufactures on the colonies, to be paid for by sending raw materials to England ; thus keeping them dependent, by preventing them from manufacturing for themselves. This policy of England has drawn to its little island the wealth of every country that has allowed itself to become the subject of its power.

To see the folly of yielding to a British policy we have only to look at the effects produced on our country during the second war with England. At that time, when our foreign trade was cut off, labor was in demand and money abundant, furnaces and mills were built, and all actively employed, wages were high, and our national debt small. Four years later our country was persuaded to yield to a British policy of Free Trade. At once all was changed ; mills and furnaces were stopped, labor went begging, our poor-houses were filled, the prices of land declined, money became scarce and interest high ; the rich who held mortgages became richer, and the poor poorer, and those who were in debt were ruined. At that time the American farmer had no foreign or home market for the surplus product of the country. Complaints grew and increased until things grew so bad that in 1824 our Government found it necessary to adopt what I call a true American system. By this system duties were laid on imports that soon gave new life and energy to the trade and business of the country. The public debt was soon paid off, and prosperity became universal.

By degrees, between 1832 and 1845, the tariff was again reduced. The mills were again stopped, furnaces closed, lands fallen to half price, the sheriff at work, States repudiating their debts, the Treasury unable to borrow at home or abroad, and bankrupt laws passed by Congress. In 1842 the true American system was again tried ; and in less than five years the production of iron alone rose from 200,000 tons to 800,000 tons. Prosperity was again universal, mines were opened, mills were built, and money plenty, and the public and private revenues greater than ever. Once more, in 1846, the British policy of Free Trade was adopted by repealing our tariff, and, notwithstanding the discovery of gold in California, interest



was as high as ever, British iron came in, and gold went out. In 1857 the culmination was reached, and a crisis came on. The Treasury was again nearly bankrupt. In three years emigration fell below the point of 28 years before, and our own exports fell off to a mere nothing. Such have been the effects of yielding to a policy recommended by nations having interests to serve that are at war with all the best interests of our own country.

It would be as unwise for our country in time of war to govern the movements of armies by the advice of our enemy as it would be for our Government to allow our national policy to be controlled by the advice of the trading nations of Europe, who will always consult their own interests, entirely independent of our interests.

It is well to remember that there is nothing that can be said to have been purchased cheap of foreign countries that has been bought *at the expense of leaving our own labor unemployed, and our own good raw materials unused*. I advocate the cause of our manufacturing interests because they secure to the farmer his surest and best market for the agricultural products of the country, and because experience has demonstrated the fact that the surest way to maintain our independence, and cheapen goods to the consumer, is to foster the home productions of our country and give diversified employment to our people. And I advocate an American system, because I desire the political power and the financial honor of the nation to be maintained and vindicated before the world. This can be most effectually accomplished by making ourselves independent, as far as our own soil and climate and good raw materials will enable us to produce the articles we need; and this we do with as small an expense of labor as it would require to produce the same articles in any other part of the world. I advocate a policy that will maintain the National Government and pay the nation's debt out of duties on imports. The heaviest duties should be laid on all articles of luxury, and the lightest duties on all articles that will aid in securing a diversified employment to our people.

As Daniel Webster declares: "The producing cause of all prosperity is labor, labor, labor. The Government was made to protect this industry, to give it both encouragement and security. To this very end, with this precise object in view, power was given to Congress over the money of the country." All property and wealth are the products of labor; therefore the creators of wealth should be protected in the enjoyment of the property and wealth they create.

The chairmen of the respective delegations were then called upon to present their credentials to the Secretary of the Executive Committee, after which the following gentlemen were appointed a committee on permanent organization.

Hon. Willard Warner, (pig iron,) Alabama; John Sparrow, (sugar beets,) Maine; Conrad Braker, Jr., (fertilizers,) New York; Robert McCall, (sugar planter,) Louisiana; John Pilling, (woolens,) Delaware; Hon. Thomas W. Palmer, (lumber and salt,) Michigan; R. P. Meyer, (stoves,) Ohio; Thomas Tunis Smith, (farmer,) Minnesota; Charles H. Cramp, (shipbuilder,) Pennsylvania; B. B. Willey, (farmer,) Nebraska; C. S. Jones, (farmer,) Illinois; R. W. L. Raisin, (fertilizers,) Maryland; R. W. Gentry, (wool grower,) Missouri; Hon. F. S. Page, (wine grower,) California; W. F. Rockwell, (cutlery,) Connecticut; J. F. Hanson, (cottons,) Georgia; H. A. Tabor, (miner,) Colorado; J. Wesley Pullman, (iron ore,) New Jersey; John Ott, (fertilizer,) Virginia; J. S. Cotting, (wool grower,) Kansas; J. N. Vance, (nails,) West Virginia; Albert Chapman, (wool grower,) Vermont; O. P. Temple, (farmer,) Tennessee; Nicholas Ellis, (miller,) Indiana; Edward Sanderson, (miller,) Wisconsin; Governor Littlefield, Rhode Island; Ex-Governor Merrill, Iowa.

The appointment of a committee on address and resolutions was not made until after a very long discussion, which was participated in by Messrs. Elder, Warner, Palmer, Telfus, Ainey, Lilly, Houston, Grinnell, Hubbard, Ridgely, Kelley, Mills, Coffin, Smith, Page, Clement, and others. The committee was finally constituted as follows.

Cyrus Elder, (iron and steel,) Pennsylvania; Hon. J. Hart Brewer, (pottery,) New Jersey; G. B. Stebbins, (lumber and salt,) Michigan; Hon. R. B. Bullock, (cottons,) Georgia; John Jarrett, (iron worker,) Pennsylvania; Richard Peters, Jr., (farmer,) Georgia; T. Guilford Smith, (anthracite coal,) New York; John Roach, (shipbuilder,) New York; Henry Bower, (chemist,) Pennsylvania; A. W. Campbell, (nails,) West Virginia; James Dobson, (woolens,) Pennsylvania; E. N. Bissell, (wool grower,) Vermont; C. O. Chapin, (paper,) Massachusetts; Homer Laughlin, (pottery,) Ohio; E. S. Hartshorne, (flax spinner,) New York; F. O. Horstmann, (silks,) Pennsylvania; Mark A. Hanna, (iron ore,) Ohio; C. W. Brockunier, (glass,) West Virginia; J. J. Hagerman, (iron ore,) Wisconsin; James M. Swank, (iron and steel,) Pennsylvania; Hon. F. S. Page, (wine,) California; Hon. John Burt, (transportation,) Michigan; L. S. Blake, (wool,) Wisconsin; Isaac Cline, (window-glass maker,) Pennsylvania; Henry Carey Baird, (book publisher,) Pennsylvania; William H. Berry, (fire-brick,) New Jersey; Charles Spencer, (hosiery,) Pennsylvania; B. F. Funk, (agriculture,) Illinois; J. G. Butler, (farmer,) Ohio; Dr. James Wilhelm, (sugar,) Minnesota.

A number of resolutions were then read, and as they were presented they were referred to the Committee on address and resolu-

tions, under a rule which had been adopted to that effect. At 2.10 o'clock P. M. the Convention adjourned, to meet at 3 o'clock.

### AFTERNOON SESSION.

The Convention re-assembled at 3 o'clock, and the Temporary Chairman, Dr. Loring, called the delegates to order. The chairman of the committee on permanent organization, Hon. Willard Warner, of Alabama, reported that, by the unanimous vote of the committee, Hon. Warner Miller, of New York, had been selected for Permanent Chairman, and the following gentlemen as vice-presidents and secretaries.

VICE-PRESIDENTS.—B. F. Jones, (bar iron,) Pennsylvania; Hon. A. S. Paddock, (wool grower,) Nebraska; Hon. Columbus Delano, (wool grower,) Ohio; Hon. George Bain, (miller,) Missouri; Charles Morris Smith, Rhode Island; Hon. W. H. Jackson, (agriculture,) Tennessee; Hon. James Talcott, (hosiery,) New York; Hon. William H. Barnum, (pig iron,) Connecticut; Hon. R. W. Thompson, (agriculture,) Indiana; Hon. R. B. Bullock, (cottons,) Georgia; Hon. John Hogan, (agriculture,) Missouri; Hon. Royal C. Taft, (woolens,) Rhode Island; Hon. Smith M. Weed, (iron ore,) New York; Hon. C. D. Hubbard, (nails,) West Virginia; Hon. M. J. Power, (bronze,) New York; Hon. Hiram C. Calkins, (copper,) New York; R. P. Sibley, (pig iron,) Alabama; Hon. William Ward, (cottons,) Pennsylvania; Hon. J. Hart Brewer, (pottery,) New Jersey; Gen. William Lilly, (anthracite coal,) Pennsylvania; J. H. Dialogue, (shipbuilder,) New Jersey; George S. Bowen, (textiles,) Illinois; J. W. Stein, (textiles,) Kentucky; F. J. Kingsbury, (brass,) Connecticut; Homer S. Knowles, (pottery,) Ohio; Sewell H. Fessenden, (glass,) Massachusetts; Thomas MacKellar, (type,) Pennsylvania; George G. Lobdell, (car wheels,) Delaware; F. L. Bodine, (glass,) New Jersey; Harris Lewis, (agriculture,) New York; E. D. Payne, (flax,) Ohio; John Sparrow, (sugar beets,) Maine; Thomas S. Harrison, (chemist,) Pennsylvania; George J. Magee, (bituminous coal,) New York; W. B. Reaney, (shipbuilder,) Maryland; J. B. Pettit, (maltster,) Wisconsin; James Wilson, (agriculture,) Ohio; J. Alden Smith, (State Geologist,) Colorado; William A. Gellatly, (drugs,) New York; D. W. C. Ward, (maltster,) New York; J. A. Whittier, (lumber,) Michigan; A. B. Valentine, (hosiery,) Vermont; Thomas Barbour, (flax spinner,) New Jersey; P. H. Laufman, (sheet iron,) Pennsylvania; Dr. James Wilhelm, (agriculture,) Minnesota; James E. Ward, (ship-owner,) New York; Charles Ridgely, (iron and steel,) Illinois; R. E. Blankenship, (nails,) Virginia; F. H. Cather, (cutlery,) Connecticut; James N. Constable, (clothing,) New York; S. L. Mather, (iron ore,) Ohio; Stockton Bates, (textile machinery,) Pennsylvania; William Ball, (wool,) Michigan; C. P. Cook, (sheep-breeding,) Vermont; Hon. Abram Hewitt, (farmer,) Michigan; Hon. J. B. Grinnell, (farmer,) Iowa; T. F. Rowland, (iron,) New York; Charles A. Whetmore, (wine,) California; James E. Emerson, (saws,) Pennsylvania; Gen. Alfred Tyler, (iron and cottons,) Alabama; D. F. Funk, (agriculture,)

Illinois; Hon. George Richards, (iron ore,) New Jersey; Hon. Randall L. Gibson, (sugar,) Louisiana; Hon. E. Breitung, (iron ore,) Michigan; J. S. Coddington, (wool grower,) Kansas.

SECRETARIES.—Theodore C. Bates, Massachusetts; Joseph D. Weeks, Pennsylvania; V. B. Denslow, Illinois; George W. Cope, Pennsylvania; George D. Lennon, New York.

The report of the committee was adopted, and Messrs. Wellington Smith, of Massachusetts, Thomas W. Palmer, of Michigan, and William Lilly, of Pennsylvania, conducted Chairman Miller to the chair. The other officers took seats upon the platform. Chairman Miller then delivered the following address.

#### ADDRESS BY HON. WARNER MILLER.

GENTLEMEN OF THE CONVENTION: Permit me to thank you for the distinguished honor you have conferred upon me in calling on me to preside over a convention representing all the industries and interests of our growing country. You have met here in convention to compare views upon the interests directly connected with your own enterprises and the interests of the whole country. It is proper that conventions of this kind should be called, and the results of such meetings as this can not but be beneficial to the interests you represent and to the general interests of the public. They excite public attention; they lead to public discussion; and they bring home to every fireside the theories, the doctrines, and the practices of all the industries of this country.

The objects of this Convention are not to unduly control or influence legislation. Its objects are rather to bring these questions prominently before the public, in order that they may be publicly discussed in assemblies of this kind, and in the public press, and, finally, that public opinion, which is the controller and ruler of this country, will have its proper effect upon the legislative power of this Government. Therefore I say that the objects of this Convention are not to unduly control legislation; not to unduly aggrandize one interest as against another, or one set of interests as against others; but they are for the discussion of questions which come home to all the citizens of our country.

The committee which had in charge the calling or organizing of this Convention did well, in my judgment, to call it here in the city of New York, the metropolis of our continent, the city through which passes a large part of all the products of this land which are

exported to foreign countries; a city into whose harbor come daily three-fourths of all the imports which come to us from foreign lands; a city which has been held to be particularly the home of Free Trade in this country; a city from which have gone out the literature and the arguments which have been sent abroad to influence the sentiment of this country against Protection. I say I hold it wise in the committee to have called in this city, where the Free-Trade men have for so long a time had substantially full control in the argument of this question and in the public hearings, a convention which shall declare unequivocally the American doctrine of Protection to home industry and home labor, and that hereafter there shall go out from this city an influence which shall be felt throughout the length and breadth of the land in defense of the theories which we here promulgate. The census has satisfied us that we were wrong when we supposed the interests of the city of New York carried her in the direction of Free Trade. True, here are gathered the great importers of the country; here are congregated the agents of foreign manufacturers; and all these influences centre in this city: but the census shows us what? It shows us that New York City to-day is the greatest manufacturing city in the country; and that it is the centre of the manufacturing industries which surround it. Only ten years ago, when the last census was taken, the city of Philadelphia held that position, and it was supposed it would continue to hold it, and it is only the revelation of the last census which overturned that supposition. What do the figures of that census tell us? I called at the Census Bureau the other day, and asked for the figures relating to New York City, and found this to be the fact; that there are invested in manufactures in this city \$165,000,000 of capital. Employment is given, or was during the census year, to 273,732 employees. About one-fourth of the entire population of this city depends upon the manufacturing industries for its livelihood, and when we consider and know, as we do, that for every person employed in a manufacturing establishment at least one other, and the average is larger, is maintained by the labor of that one, we find that nearly one-half of the entire population of this great city is living upon wages earned in manufacturing establishments. The value of the products which are turned out in this city amount, in round numbers, to \$450,000,000 annually. These figures prove also the wisdom of the committee in calling this Convention here in New York City.

Government, as organized in this country, has two leading objects

in view: *first*, to secure and protect the civil and religious liberty of the people; and, *second*, to administer its functions in such manner as to best develop the material interests of the people. The first of these objects has been attained in this country. Civil and religious liberty are guaranteed to every citizen; and to-day the questions which should be prominent in our legislation and in our governmental matters are questions which relate to the development of the country. They are economic questions which, to-day, should be brought prominently forward, and it is in that direction that we are met here to discuss one of the economic questions which have been more or less prominently before the people of this country since the organization of the Government; I mean the theory of Protection. The time has passed when we need to fear to pronounce our views and our belief upon this subject. The time has passed when arguments which have nothing in them except abuse of manufacturers, which denounce them as monopolists and as robbers of the people, can have any influence upon public opinion in this country. And to-day we may take our stand firmly and fairly upon the doctrine of Protection to home industries. We may take our stand upon it as a theory, also. I know that it has been popular with a certain class of literary men, and with large numbers of the professors in our higher institutions of learning, to tell us and the country that Free Trade is correct in theory, that it is absolutely perfect in theory, but that as yet the conditions of our country are such that it can not be fully applied; but that in the near future this doctrine must prevail, and that it must control this country. If schools teach us anything, if philosophy teaches us anything, it is this; that when a theory, no matter how finespun it may be, no matter how logical it may seem, can not be made to correspond with the well-known facts of the science which it intends to teach, it must be put aside as false, and a new theory must be made which corresponds with facts. Has it not been ever so? Have not all the theories of light and of the solar system been changed from time to time as they have been found not to agree with well-known facts? And would it not be well for those gentlemen who give us our logic and our science to take up the facts in American history, coming all the way down from the foundation of the Government to the present time, and erect upon them a theory which will correspond with the facts? I venture to say that if they do that they will erect a theory of Protection and not of Free Trade.

What are the facts in our history? Let me briefly allude to them.

They were given to you somewhat in detail this morning by one of the most successful manufacturers in this country. But, in short, the history of this country and its changing experience teaches this, that when we have had a tariff for revenue only, or a tariff intended to satisfy the Free-Trade interests of the country, it has always been followed by panic, by depression, and by ruin to our industries and to our people. I will not detain you to go over the dates; but every student of American history must verify this statement. And, then, on the other hand, whenever we have had Protection to American industries, during those periods our industries have flourished, and all classes, merchants and workingmen, as well as manufacturers, have had prosperous times. I say, therefore, let the theorist take these facts, and construct a theory which will agree with the facts as they are in our history. I shall not go into any argument at this late hour in the afternoon upon the merits of the Protective system. I desire to call the attention of the Convention only to a few points, and then I shall give way for the regular discussion which has been set down by the committee.

A Protective tariff is necessitated in this country by two leading facts. These are the rate of interest and wages; and a Protective tariff can be maintained upon these two grounds if upon no other. The rate of interest in this country upon capital, as you all know, is at least double what it is in any of the manufacturing countries of Europe. The accumulations of capital are there so large that the rate of interest is but little more than three per cent. Here the average rate of interest which is paid by manufacturers varies from six to twelve per cent. This one item alone would demand in this country that the Protective system should be maintained. But the question of wages is the chief question in this discussion; and wages bear a far greater part in this matter than many of us, even manufacturers, have been in the habit of considering. The larger part of the cost of every article manufactured in this country is made up of labor in one form or the other; aye, I may say that from 75 to 90 per cent. of the cost of manufactured articles in this country is made up of labor. Take the one item of iron alone. It is labor everywhere. The value of the iron in the mine, or the coal in the pit, or the limestone in the quarry, is, of itself, very small; but whatever of labor is required to mine the ore, and haul it to the furnace, and burn it into iron, is, really, the cost of the iron; and I have no doubt that many of our friends here who are engaged in that industry could give us the exact figures. And

so it is in all other industries. It is labor everywhere, from the growing of the grain in the fields of the West, or the cultivation of the cotton in the fields of the South, all along through its various processes, until it is delivered in the market by the various transportation companies, and finally delivered to the consumer.

One of the leading manufacturers of England visited this country recently, and made this statement, that, while we were far ahead of them in labor-saving machinery, yet in the matter of labor alone they could produce iron in England for one-half less than we could produce it here; or, in other words, that labor was paid in this country 100 per cent. more than it was in England. And I hold it to be a self-evident fact that in a republic like this, where the country depends upon the virtue and intelligence of the people, a high rate of wages is desirable for all classes. Men may say, "Give us labor at the rates at which it can be had in England, in France, in Belgium, and in Germany, and we need no Protective tariff;" but I say that we need a Protective tariff for the interests of the laborer himself, and for the whole country. An investigation by the Census Bureau shows that the average rate of wages to a skilled mechanic in this city has been from \$1.75 to \$2.30 daily during the last census year, and to the unskilled laborer \$1.25. We all know that since then the rate of wages all over the country has advanced from 10 to 25 per cent. Compare these wages with a report made by the Government on the rate of wages paid in Europe, and see what is the result. In Belgium the rate of wages is as follows: for masons, \$6 per week; for carpenters, \$5.40 per week; for painters, \$4.20 per week; for blacksmiths, \$4.40 per week; common laborers, \$3 per week; agricultural laborers, men, 17 to 20 cents per day, women, 15 to 17 cents per day. These are only a few of the figures which might be given to show the rate of wages in European countries and in England.

The tariff, then, is not alone for the benefit of the manufacturer; it is not alone for the benefit of the man who has the raw material to sell; but it is also for the benefit of the working classes, and they compose by far the largest part of the people of this country. I say, then, that, if no other considerations were to be presented, the two considerations I have named, that of the rate of interest and that of the rate of wages, must necessarily control in the decision of this question, and I know that there is no desire upon the part of the industries in this country that any such rate of wages shall ever be obtained in this country as is to-day obtained in foreign lands.



There are many questions of importance to come before this Convention, and I will not detain you longer with any general remarks upon the subject. The question of internal revenue has also been put down for discussion by the committee calling this Convention. Upon that subject I need say nothing. The gentleman who will address you this evening upon this question, Hon. William D. Kelley, of Pennsylvania, has studied it for a lifetime, and also the tariff question, and I need but ask you to listen to what he will say upon this question.

But there is another subject which has been set down for discussion by this Convention about which I desire to say a word, and that is the question of our shipping interests and our foreign commerce. I have not hesitated, heretofore, to express my opinion on that subject; and I can only repeat here my previous expressions when I say that it is high time that this country of fifty millions of people, producing immense quantities of grain and produce of all kinds which are required in other countries, should see to it that it has direct and rapid communication with many countries with which now it has but small dealings. It can not be expected that our commerce with Europe should largely increase. The sale of our products in Europe must ever depend upon the condition of her harvests. If she has a favorable harvest she needs but little from us; but we must look to other countries for an outlet for our produce and also for our manufactures. There are lying south of us the great republic of Mexico, the republic of Central America, and the sister republics of South America. Should we not have direct and rapid intercourse with every one of them? I think no one will deny it. But the facts are simply these; that our carrying trade since the close of the late war has been growing less and less; new elements have come in to control the carrying trade of the ocean, and to-day this one great industry and great interest of carrying the produce of our land to foreign lands has greatly gone down until it can be said that we simply have no foreign commerce of our own, or carrying capacity. What we need, then, is the drawing of the sister republics of South and Central America nearer to us. We need rapid communication by mail service. Now we are compelled to send our mails, and even our goods, to Brazil, in English steamers, by way of London, when we should be sending them directly into every port in South America. Able speakers will undoubtedly discuss all these questions, and give to the country their views upon them; but I do not hesitate to say that I have been always in favor

of giving to this particular industry such assistance as a thorough investigation shall show it requires. That is the position I have taken, and I take it here again to-day, and I hope the time is not far distant when our flag shall float in every harbor, and our ships shall be found on every sea.

There are many questions which may properly come before this Convention; but I have no doubt that those which have been set down by the committee, and those of which I have spoken, will require all the remaining time of to-day and to-morrow for your consideration. I thank you for your patient hearing, and we will now proceed with the regular order of the Convention.

#### LETTER FROM SECRETARY BLAINE.

Secretary Bates announced that a letter had been received by the Chairman of the Executive Committee from the Secretary of State, Hon. James G. Blaine, which is as follows :

DEPARTMENT OF STATE, WASHINGTON, D. C., November 28, 1881.  
COL. D. F. HOUSTON, Chairman, etc., etc.

MY DEAR SIR: My official duties prevent me from leaving Washington at this time. I am therefore deprived of saying some things which I would be glad to say in your Convention, if I had the opportunity to speak.

In a brief note of excuse I can not discuss the tariff or the shipping question. And yet I will not omit the expression of my belief that in no previous time in the history of our country has the principle of Protection to American industry been so strong with the masses of the people as to-day. It was formerly an issue somewhat determined by latitude and longitude; but those limitations have passed away, and enthusiastic Protectionists can now be found in Alabama as well as in Massachusetts—in Illinois as well as in Pennsylvania. The West and the South are joining the North and the East in the common belief that home manufactures should be encouraged and developed in every State of the Union.

I wish I could speak with the same confidence in regard to the prospects of American shipping. But I confess to some discouragement when I see the American Minister to Brazil, at this moment *en route* to Rio Janeiro, compelled to reach his post by going first to England or France in order to avail himself of a line of steamers. We are paying to Brazil annually more than \$40,000,000 in gold coin to settle the balance of trade against us. Brazil in turn sends this money to Europe to pay for commodities which we ought in part, at least, to furnish her. It is easy for the merchants of Brazil to reach England and France. We have never seen the wisdom of providing an easy mode for the same merchants to come to the United States. So long as we fail to do so the balance of trade will annually increase against us. It is idle to think of selling goods to a man unless you first induce him to come into your store. In great haste, Yours Very Truly,

JAMES G. BLAINE.

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TREASURY DECISIONS.

Chairman Miller then announced that in the regular order of business the topic of adverse decisions of the Treasury Department would be considered, and announced John H. Ricketson, Esq., as the first speaker on this subject. Mr. Ricketson delivered the following address.

## ADDRESS BY JOHN H. RICKETSON, ESQ.

MR. PRESIDENT AND GENTLEMEN : In behalf of the iron and steel manufacturers of that portion of Western Pennsylvania included in Allegheny county, known to you as Pittsburgh, I ask your attention to a few remarks on the construction placed by the Treasury Department and the Federal courts upon certain portions of our tariff laws vitally affecting the interests of the manufacturers whom I have the honor, in part, to represent.

The delegation to this Convention from our county represents a population of nearly four hundred thousand people, with a property valuation of four hundred millions, more than one-third of which is invested in manufactures alone, whose annual product amounts to upwards of a hundred million dollars. The vast importance of the interests involved, and the large population affected thereby, fairly entitle us to a hearing in this Convention.

It has been truly said that "every country has a political economy of its own, suitable to its own physical circumstances of position on the globe, and to the character, habits, and institutions of its people;" and surely we, as a nation, have adopted and introduced in our laws that economical policy best suited to our needs; for the tariff rate in this country has been just as true an index of the ebb and flow of the tide of business prosperity as the mercury in its tube has been of the variations of heat and cold. As the results of this policy, you have heard from the venerable gentleman who spoke on that subject this morning as to his recollection of the action of the former tariffs upon the country. (May he live long to guide us by his counsel!) Here and there we find a few people who dissent from this view, but their number diminishes with each succeeding year. I was talking the other day with a prominent capitalist, whose intelligence and sagacity on most subjects is unquestioned, upon the objects of this Convention, and found him quite unwilling to admit that the present great prosperity of this country was largely due to the Protective system. I asked him what or

whom we had to thank for this prosperity; and, said he, "The Lord." Taught, Mr. President, as we have all been, to believe that Providence works through human instrumentalities, it is most gratifying to know that the Lord is on the side of Protection; and, if He be for us, what must we say of those unbelievers, those free-thinkers on the subject of international exchanges, who are against us?

We have lately seen in the newspapers an account of an interview with a distinguished member of the British Parliament, Mr. Samuel Morley, who has recently visited this country. He is reported to have said that the great marvel to him was that the American people should submit to the high prices for manufactured goods, rendered possible only by a Protective tariff. Had our distinguished visitor looked at the subject from an American standpoint, or had he been able to accomplish that difficult feat for most Englishmen, to denationalize himself, and consider the question from a neutral and disinterested point of view, the answer would have followed close upon the heels of the question, and he would have recognized that fact in political economy which constitutes one of the four corner-stones upon which the whole Protective system rests. He would have seen that, when, in order to develop the manufacturing industries of a country like ours, a Protective tariff is imposed upon foreign goods, and in consequence thereof prices advance, wages also advance; and, with the home market thus created for all the products of all forms of labor, the ability of the people to pay the enhanced price is increased in equal, if not greater, proportion. Had he examined still further into the working of the principle of Protection he would have seen that, by the home competition thus fostered, prices ultimately fall below the rate ruling for foreign goods at the time of the first imposition of the tariff, of which fact steel rails, which fell, as Dr. Loring told us this morning, from \$140 to less than \$60 per ton, and planished iron, which fell over 50 per cent., are notable examples. Hundreds of other instances will occur to your minds in illustration of this truth.

All his countrymen do not agree with Mr. Morley, though he probably reflects the views of the great majority of Englishmen. During the debate in the House of Commons, in 1847, on the repeal of the corn laws, an eminent English speaker used these words: "I want it distinctly understood that I do not assert the Free-Trade principle to be absolutely true, or of universal application. If I were an American, a citizen of a young country, I should be a Protectionist. If I were a Frenchman, a citizen of an

old country, with an undeveloped industry, I should be equally a Protectionist." The speaker had evidently watched the working of the Protective principle. He knew that a country which produces and exports raw materials only, and takes in exchange manufactured goods, will find the balance on the wrong side of the ledger. He also knew that with the poor of Great Britain *in their own country* neither the American nor any other nation has anything whatever to do. "Charity begins at home." If what the modern philosophers tell us be true, that no individual man can act on the altruistic theory, it is doubly true of nations. Gentlemen, we are solving for the English, as well as other European nations, the problem that so puzzled Mr. Malthus. We are affording an asylum for their surplus population; and, to provide for their maintenance, we must legislate for our own country, and not for the lands from which the vast numbers now seeking our shores have been compelled to emigrate. A few American newspapers—I am glad to say a very few—have applauded Mr. Morley's criticism, and indorsed his views. But in every instance these papers have for years been identified with extreme Free-Trade opinions; and in the maintenance of that fancied jewel, their consistency, they have steadily refused to bow to the logic of events, and seem to have forgotten, if they ever heard that old saying, of the truth of which most of us become more firmly convinced as the years pass over our heads, that "there are two classes of people who never change their minds—dead men and fools."

But, Mr. President, the ranks of the American Free Traders were long since decimated, and of late have become so thinned that open battle, or even fighting from behind intrenchments, is no longer possible. They are at last reduced to a mere guerilla warfare and to strategy, the petty methods of which are best known to themselves and their allies across the water. Thus they manage to worry and annoy the grand old army of American manufacturers and workingmen by deceiving and eluding our revenue pickets.

Gentlemen, this Convention has reason to congratulate itself and the people of our whole country, the major portion of whom is here represented, that at last the American Protective system is established upon a sure foundation. The time, as Senator Miller told you a few minutes ago, has come when argument in favor of the soundness of the Protective principle is ceasing to be necessary. When the retired head of one of the oldest and largest importing houses in the United States, in a lecture delivered in this city some

time ago upon New York as it was fifty years ago, gives it as his deliberate conclusion that the country owes its growth and sound prosperity to the Protective system, and that without it we should have remained a purely agricultural people, dependent upon other nations; when the tariff question was a vital, if not the pivotal, issue upon which a great Presidential campaign has turned; when, since its formation, one of the great political parties of the country has made the Protection plank the main one in its platform; when, the other day, from the Northwest a distinguished member of Congress, in an address to his constituents at the fair at Muscatine, Iowa, sounded the true Protection key-note, amidst the applause of his audience; when an old and honored leader, if not the Nestor, of the other great political party passes the evening of his days in giving the benefits of his advice and counsel to the party he has served so long and loved so well, using, in the *North American Review*, such words as these: "But neither of us can tell why others whom we see, and their comrades, are there shouting for Protection, for they come from the car-shops, where the hard woods of Indiana are made into cars, and where the iron used in binding the timbers together has been bought from the manufacturers with the custom-house duty upon the price. . . . But, [and mark these words,] whether we can give the reason or not, the men from the car-shops are shouting and voting with the men from the iron furnace. . . . In the shops and at the polls the men are in sympathy, and raise their caps to what they believe to be the protecting genius of American labor. It is the sympathy of brotherhood which a prudent leadership will recognize and respect;" and when another distinguished member of that party, now a Senator of the United States, who is still bearing the burden and heat of the day, in a speech at Atlanta, heartily indorses the views of his veteran associate; when another member of the same party, and an ex-Speaker of the National House of Representatives, in a speech in this State, gives in his adherence to the same views, and reminds New York that she is the largest manufacturing city in the country, and so is most interested in a Protective tariff; and, finally, when from the regenerated South come, through a paper like the *Richmond Dispatch*, such cheering words as these: "The live men who manage these industries understand fully the fact that what made such industries prosperous in the North can not fail to have the same effect in the South, hence they want our Protective tariff to continue, and laugh to scorn the old Free-Trade notions that used to

prevail in our section ;"—why surely, gentlemen, there would seem to be good reason for believing that, as far at least as Protection is concerned, the two great political parties are about "like kindred drops to be mingled into one."

But some Free Trader, some "lone fisherman," as such may not inaptly be called, will exclaim, If the picture you have just drawn is correct, why are you here in convention to-day? If your triumph is so complete, why do you still buckle on your Protective armor and continue to sound your bugle calls?

Mr. President, if I understand the matter aright, one of the primary objects of this Convention is to secure the fruits of the victory we have won after so long and so severe a struggle. We are here to take counsel together, among other things, as to the best and surest way to prevent a practical nullification of portions of our tariff laws, by what we regard as erroneous and untenable interpretations thereof.

Now, gentlemen, I am aware that I am approaching what is rightly regarded as delicate ground, and I want to say here and now, in behalf of my brother manufacturers in Pennsylvania and elsewhere, that I enter upon this subject with every confidence in the integrity and conscientiousness of every Treasury official in Washington and elsewhere, and of every Federal judge who in the discharge of his duty has had to consider the intricate questions that have arisen, and to pass upon the construction of our tariff laws. I would say further, that no class of men appreciates more highly than do the American manufacturers the importance, as a co-ordinate branch of the Government, of a learned and independent judiciary. The bench is the grand bulwark in preserving for the whole people that priceless boon—liberty, regulated by law. But this discussion is by no means altogether of our own seeking. We have been asked, as you will see by the circular from the Treasury Department, which I hold in my hand, and a short portion of which, with your permission, I will read, to suggest a remedy for the very evils we complain of, and which are hereby acknowledged to exist by the Treasury officials themselves. I call your attention especially to the opening statement: "The present method of deciding disputed questions as to the classification of imported merchandise is very cumbrous, expensive, and unsatisfactory. Classification is made by the Collector, and if the importer be dissatisfied he appeals to the Secretary of the Treasury; and, if dissatisfied with his decision, may have a trial by court and jury. Nearly

eighteen thousand cases of this kind were presented to this Department during Secretary Sherman's term. *Neither the Secretary nor the court or jury possesses any such expert skill as to render their decision satisfactory.*"

Now, the first remedy that will suggest itself to all minds is to so alter and amend the tariff laws as to leave no doubt as to their true meaning. While there is in many instances an urgent necessity for changes in the language of certain statutes in order to make the meaning clear, it is impossible to so word a law that contending interests may not find some occasion to bring the matter before a Treasury tribunal or the Federal court. We see evidences of this in every-day life. Lawyers will tell us that laymen are constantly surprised that the simplest, or what seem the simplest, points in law-suits growing out of the most ordinary business transactions, points that we surely thought were settled a hundred years ago, are still puzzling the courts, and the cases involving them present judicial decisions most varied and conflicting. We must make up our minds that disputes and law-suits will arise over tariff questions, word the statutes as we will. Now, what the manufacturers think they have the right to ask is this—that it shall be regarded as the unwritten law of the land, to which the courts as well as the people shall be subject, that a judge in passing upon a tariff clause shall recognize the spirit of tariff laws and the intent of Congress in passing such laws, and also the prevailing sentiment of the great body of the people as the object of such legislation. The world moves, and the bench must move with it, though perhaps at a slower pace. In the early judicial history of the country, when we were largely an importing nation, the general sentiment was in favor of Free Trade. In those days, though the sugar of Louisiana, the hemp of Missouri, and the iron of Pennsylvania were protected by the tariff, it was generally thought that what was food to those States was poison to the great majority of the others, and the judges not unnaturally construed the tariff laws with great strictness, regarding them as having mainly in view the revenue of the Government, and were no doubt quietly sustained by the people.

But times have changed. The people demand of their representatives in both houses of Congress that we shall have a tariff for Protection as well as for revenue. The Protection sentiment is now the prevailing one, and will be for years to come, and the bench can not ignore it.

The bench will say in its defense that it must be guided by



precedent; that it must not drift away from old moorings; that it must stand like a rock, no matter how much or with what force the waves of popular sentiment may beat against it. Why, gentlemen, the lawyers and judges of the last century, here and in England, would turn in their coffins could they know the lengths to which their successors of the present day have departed from the precedents of the olden times. We constantly hear lawyers say when we approach them as clients that the *tendency* of modern and recent decisions is in this or that direction.

What we believe we have a right to demand is that when there is a doubt of the precise meaning of a tariff clause the *tendency* of the judicial decision shall be toward the Protection of the majority of our own people, and not of foreigners and their factors on this side of the waters.

The delegates from New England will probably recall the famous insurance verdict of a Nantucket jury. A Boston merchant sued a Nantucket insurance company to recover \$17,000, the amount of a risk the company had taken upon his vessel. The counsel on both sides lived on the main shore of Massachusetts, and were among the most eminent in that State. As they journeyed together on the steamboat to the island, the plaintiff's counsel said to his opponent: "Why need we waste time in trying this suit? You have no case; the law and the facts are against you, and you know it, and ought to tell your client so plainly, and save time and expense." The counsel for the insurance company in reply offered to bet a box of wine that the jury would find for the defendant, which wager was promptly accepted. The case was tried, and the jury rendered a verdict in favor of the insurance company. As the lawyers sailed homeward, the winners jubilant and the losers despondent, the unsuccessful lawyer exclaimed to his opponent, "That certainly was a most extraordinary verdict, and I am free to say that I can not understand it." Said the legal brother, with a twinkle in his eye, "Were you fool enough to suppose that a Nantucket jury would allow \$17,000 to leave that island?"

We can hardly ask or expect that patriotic emotion will carry our judges and the Treasury Department as far as it did the "twelve good men and true" of the famous little island of Nantucket, but just a little of the spirit that animated them in certain issues between friends and strangers, between our own and foreign lands, might result in a more general indorsement by the greater portion of the people of some of our judicial decisions.

If the English factor on this side of the Atlantic is able to advise his principal that the American courts lean toward the importer rather than the home manufacturer, is not a premium thus offered to competitors abroad to resort to subterfuges, as has been done in the cotton-tie case, about which I want to say a word shortly?

These judicial tendencies, of which I have spoken, are constantly manifested in other than tariff decisions. Take, for instance, the rulings of the courts for the last twenty years upon the rights of married women. I refer not to opinions made necessary by statutory changes, but to rulings at common law. What we ask is that the spirit of the age, which influenced the judges in Chief-Justice Marshall's time, when we were comparatively a Free-Trade nation, shall guide them in doubtful cases now that we have become a Protective people. No one can read the long list of decisions upon the revenue laws for the last half century or more and fail to recognize the influence upon the judicial mind of the economic views prevailing at the time. Again, the subtle influence of the Free-Trade textbooks which the judges studied in their boyhood is frequently apparent.

Judges are generally men of fixed incomes, and still retain the idea that tariff raises prices without corresponding benefits, and these views in many cases counteract the liberalizing effect of the Protective sentiment, general as it now is. The people have learned the workings of the Protective principle in the *world's best school, their business*. When the old-school judges realize that Protection gives us home competition, and ultimately lower prices, we may expect the desired change in their opinions. Then we shall have on the bench what may well be called an enlightened conservatism.

Mr. President, I do not mean to tax your patience much longer, but I want to apply the general principles I have laid down to one or two special cases. These cases are familiar to iron and steel manufacturers, but perhaps not to the representatives of other industries, who I doubt not have analogous troubles in their own specialties.

First, I desire to call your attention to what would have been a great industry had it not been strangled in its birth in this country by a decision of a former Secretary of the Treasury. In the tariff law of 1864 you will find these words: "On tinplates or iron galvanized or coated with any metal otherwise than electric battery, 2½ cents per pound." Several iron manufacturers prepared themselves at great expense to make tinplate immediately after the passage of

the act of 1864, but found to their astonishment that tinplates were admitted at 25 per cent. *ad valorem* in consequence of a ruling of the Treasury Department. Mr. Fessenden, then Secretary of the Treasury, was at once written to, and his answer is unique in the annals of official correspondence. His letter runs in part as follows: "It would appear that an error of punctuation has been made by some one; most probably by the clerk who engrossed that part of the act. If the comma which is inserted after the word 'plates' be omitted, and a comma placed after the word 'iron,' the true sense will be had; which unquestionably is that tinplates, as well as the iron, must be galvanized or coated with any metal by electric batteries or otherwise in order to bring them within the provision." He adds: "I am able, from the part which I took personally in the framing of this provision, to speak with confidence as to the intent of it, and have no hesitation in saying that it was not contemplated by Congress to make any addition to the rate of duty prescribed by previous tariff acts on ordinary tinplates."

Mr. Fessenden was in the Senate when the act of 1864 was passed, but members of the Committee on Ways and Means of the House at that time have since said that Mr. Fessenden must have been mistaken; that tinplates were intended to pay a duty of  $2\frac{1}{2}$  cents per pound, otherwise the clause would be meaningless and absurd, as in fact tinplates, that is, iron coated with tin, commonly known as tinplates, are rarely if ever coated with anything before they are imported, nor afterward, except by paint, when made up into articles for use. On February 8, 1875, a change was made by which tinplates were admitted at  $1\frac{1}{10}$  cents per pound. An effort was made at that time to have the duty fixed at  $2\frac{1}{2}$  cents per pound, according to the true meaning of the act of 1864, but the request of the manufacturers was again refused, the refusal being again based upon Secretary Fessenden's decision, and the duty was fixed at  $1\frac{1}{10}$  cents per pound, a rate which renders it impossible to make the articles in this country at a profit, and that low duty is still imposed.

A circular has been laid on our desks that will show the hardship of Secretary Fessenden's decision, and decisions which were afterwards based on it; the serious loss to those who went into the business of making tinplate; and the loss to the labor and capital of the country as well as to the Government in increased revenue, which would have been collected during the time that would have elapsed while the manufacturers were developing the new industry.

In seventeen years 3,002,386,900 pounds of tinplates, valued at \$172,444,949, have been imported. Had we made our own tinplates the bulk of this enormous sum would have been saved to the country, and from 30,000 to 40,000 workmen would have been employed in its manufacture.

During his term of office Secretary Sherman acknowledged, in a letter dated June 3, 1878, that the clause of the act of February 8, 1875, by which tinplates pay a duty of only  $1\frac{1}{10}$  cents per pound, was not aptly descriptive of the merchandise, "and, while he admitted the hardship of the decision, said that Secretary Fessenden's ruling had so long governed the Department that he could not reverse it, and that Congress alone could apply the remedy." Thus, gentlemen, we see how "the evil that men do lives after them."

The remedy, until the revision of the tariff is made, would seem to be a joint resolution of both Houses of Congress. I trust that this Convention will recommend that steps be taken by Congress leading to a speedy reversal of the present ruling and the imposition of the  $2\frac{1}{2}$ -cent specific duty, as the act of 1864 intended, and thus secure to our country an industry worth to the American people \$15,000,000 per annum.

In schedule E of the tariff laws as they now stand you will find the following provision in relation to hoop iron :

1st. "All band, hoop, and scroll iron from  $\frac{1}{2}$  to 6 inches wide, under  $\frac{1}{8}$  of an inch in thickness and not thinner than number 20 wire-gauge,  $1\frac{1}{2}$  cents per pound."

2d. "Manufactures, articles, vessels, and wares not otherwise provided for, of brass, iron, lead, pewter, and tin or other metal, (except gold, silver, platina, copper, and steel,) or of which either of these metals shall be a component material of chief value, 35 per centum *ad valorem*."

Up to December, 1878, a specific duty of  $1\frac{1}{4}$  to  $1\frac{1}{2}$  cents per pound was paid on hoop iron according to size. Some time previous to this date importers introduced iron cut into specific lengths, with holes or a hole punched in one end, claiming to pay the *ad valorem* duty as an "article of manufacture not otherwise provided for." Suits were brought in New York and New Orleans in the lower courts, (I read from a letter from Mr. Wells, of Youngstown, Ohio, a hoop-iron manufacturer, to Secretary Windom,) and verdicts were rendered in favor of the *ad valorem* duty. In compliance with these decisions the Treasury Department issued in substance the following order :

"December 21, 1878, order No. 3,824. Hoop iron cut into lengths and holes punched therein shall be admitted at 35 per cent. *ad valorem*, instead of 1½ cents per pound, as previously rated."

On a remonstrance by the manufacturers, order 4,496, April 17, 1880, states that order 3,824 is reconsidered, and that the Department is satisfied that cutting or punching with more or less holes does not remove the hoop iron from the category of hoop iron in schedule E of the revised statutes, and the specific duty shall be collected; and that the previous decision, 3,824, was in violation of law.

Then the English manufacturers sought again to evade the law by stringing loose buckles on the cut hoops, hoping that the "buckler might prove a shield." Without further details I will say that, for a time, the Treasury Department was firm and adhered to the letter and spirit of its last ruling; but more suits were brought in the courts, a hostile decision was rendered, and the Treasury Department again changed its position and admitted the so-called cotton-ties at the *ad valorem* rate. As a consequence, cotton-ties, which are used to the amount of 30,000 tons per annum, are no longer made in this country.

I notice that, when the Treasury Department is about to change a ruling, the date of its taking effect is always postponed to give the importer an opportunity to get into bond what he has purchased under a former ruling and classification, to save him from loss. This is certainly just and right. But how about the millions of capital invested in hoop plants, which in a night, without warning—yes, in the twinkling of an eye—are made valueless, except as scrap iron, for the machinery for making hoops can not be well adapted for other kinds of iron? How about the American manufacturer, whose business is thus ruined, and the thousands of workmen compelled suddenly to seek other employment, and doubtless for a long time to find it not?

I can not see how a jury of average intelligence, under the instruction of a fair-minded American judge, can fail to find that hoop iron is hoop iron, whether cut into long or short lengths, and whether loose buckles are strung on one out of thirty of the strands in a bundle, or are fastened with an unnecessary rivet. Lead has been declared to be lead, whether it comes to this country in the form of pigs, or cast into moulds wherein we recognize at a glance the familiar features of the father of his country, or the author of *Poor Richard*. Invoice it as "statuary," it is still lead.

To show the importance of the rulings of the court where a ques-

tion of fact is left to a jury to decide, let us take the case of Ranlett & Co. *vs.* Badger, Collector at New Orleans. The question was whether hoop iron cut to certain lengths, with loose buckles strung on them, should pay duty as hoop iron or cotton-ties, the duty on the former being, as I have stated, a specific rate of  $1\frac{1}{4}$  to  $1\frac{3}{4}$  cents per pound, according to size, and that on the latter 35 per cent. *ad valorem*. The verdict of the jury declared the so-called cotton-ties to be hoop iron under the tariff law. A new trial was granted, and the case was tried again before the same judge on the same statement of facts. The second jury declared that the merchandise imported was cotton-ties, and should pay only the *ad valorem* duty.

The United States Attorney, in his report of this case to the Secretary of the Treasury, states that the two contrary verdicts of the juries were due to the charges of the court, which were entirely at variance with each other. We can not help being reminded, in this connection, of the famous dialogue in Hamlet on the cloud in the sky—Hamlet the judge, Polonius the jury:—

HAMLET—Methinks it is like a weasel.

POLONIUS—It is backed like a weasel.

HAMLET—Or like a whale?

POLONIUS—Very like a whale.

Did time and your patience, gentlemen, permit, I should like to recount to you other instances, especially the cases of steel wire rods in coils, punched tank iron, (though I believe that has been remedied,) steel blooms, homogeneous steel, and many others, too numerous to mention, but I must content myself with stating the fact that they are, in most respects, analogous to the case of hoop iron, and that, if the construction placed by the Treasury Department and the courts upon the clauses relating to them was characterized by even a little of the liberal American spirit I have endeavored to describe, all complaint on the part of manufacturers would cease.

A few words more, Mr. President, and I will detain you no longer. At the last session of Congress Mr. McKinley offered an amendment to the tariff laws, to prevent confusion in the future, to this effect: "That in no case shall the duty on any manufactured article be less than the duty upon the material of chief value from which it is manufactured." This amendment received the approval of a majority of the last Committee of Ways and Means at Washington, and I trust will soon become a law.

But, while such an amendment would simplify and settle

many questions of construction, it would not be an universal panacea, for the question might, and doubtless would, still arise as to what the precise material is of which manufactured articles are composed. Recently a case was decided in Boston, in which what is known as *homogeneous steel* was declared to be *iron*.

Mr. President, no unprejudiced man can study the whole question of the operation of our tariff laws without seeing the point toward which the opinion of our whole people is drifting, and without being convinced that the time is not far distant when the whole matter must be taken out of politics and relegated to a special tariff commission.

Of the comparative merits of the bills already offered, having this purpose in view, I will express no opinion, but will merely say that such a commission must be composed of men who thoroughly understand the subject, and who, before submitting to the country changes in the tariff laws, must consult the representatives of all the varied interests affected thereby. The work, when it is commenced, will require great patience as well as knowledge, and much labor and time. It must be simply revision, not sweeping change; and the same rule that guided those pious men and profound scholars in their recent revision of the New Testament, must control a tariff commission—*the original text must be adhered to wherever possible*.

I have already referred to the influence of early training, and the study of what I may call un-American text-books on political economy, upon the minds of Treasury officials, judges, juries, and especially on the youth of the country. I deem it of the utmost importance that all the friends of Protection in the country shall see to it that true American politico-economical text-books shall be used in our public schools, our colleges, and all seminaries of learning. Before we adjourn I propose, with your permission, to embody this suggestion in the form of a resolution. I do not mean fugitive tracts in behalf of special industries, but carefully-written philosophical works, in which both the Free-Trade and the Protective principles are discussed and contrasted. The truth is mighty and will prevail, and all we ask is an open field and a fair and candid comparison. A treatise on American political economy of the character I have described was published in this country in 1856, and republished in 1873. It was written by the masterly hand of Professor Francis Bowen, and in it will be found all the great principles and fundamental maxims of Protection clearly enun-

ated. I commend the volume to the careful perusal of all, and challenge the strictest comparison between the author's predictions, in 1856, of the effects of Protection with the results themselves, as shown in the industrial history of the country since.

It may surprise the believers in the theory of Free Trade, who are fond of boasting that the youth of the country, as they come from the schools, fresh from their books, are all Free-Traders, and that it is only when their minds have become corrupted and their judgments warped by self-interest that they embrace Protection views—I say it may surprise these gentlemen to know that the views expressed in Professor Bowen's book first saw the light under the elms of Harvard College, the oldest institution of learning in the United States, and that the author had never any interest whatever in any business enterprise, save in discharging the duties of the professorship he so ably fills.

Mr. President and gentlemen, we are here to-day in convention assembled to renew our allegiance to the great principle of Protection to American Industry. We believe that it has accomplished all that its advocates claimed for it in the early days of the republic. We believe that the time when it can be safely abandoned is still far distant. We believe that the late President Garfield was right when, in defense of the Protection principle, on the floors of Congress, he said, in the language of Scripture, "But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel."

The Protective system has developed our great natural resources, and given us a foremost place among the nations of the earth. It has secured to the country that result which is the object of all government—the greatest good of the greatest number of our people. It has encouraged internal improvements; it has bridged our rivers, and given us iron and steel pathways from the granaries of the West to tide-water; and, if applied in proper form to American ships, will re-establish our merchant marine. It has fostered inventive genius, until our machinery has become the wonder of the world. By creating home competition it has so cheapened our processes of manufacture that cheap iron and steel, transformed into agricultural implements, have lightened the labor of the husbandman, and increased his crops an hundredfold. And, finally, it has given us a financial credit second to that of no nation on the globe.

We who live in the older and earlier-settled portions of the country—we of the North and East—are reaping its harvest. Let



us, in the true spirit of brotherhood, sow the seeds of Protection, and preach its gospel to our brethren of the South and West; and may they all unite with us in singing its grand old anthem—

From New Hampshire's icy mountains,  
From Florida's coral strand,  
To where the Rocky ranges  
Roll down their golden sand,  
Protection! oh, Protection!  
The joyful sound proclaim,  
Till each remotest section  
Has learned the tariff's name.

The Chairman announced that the next speaker would be Hon. Wm. McKinley, Jr., of Ohio. Mr. McKinley then made the following address.

ADDRESS BY HON. WM. MCKINLEY, JR.

It may be stated in general terms that, if there is any one thing fixed and definitely settled in our national policy, it is that we must have a tariff for revenue and Protection. This is clearly the dominant sentiment of this country, and will be so long as revenues are required for governmental purposes, and so long as a just consideration is accorded to American labor, and regard is had for commercial and industrial development in the United States. This policy is as old as the Government. It received early and emphatic recognition from the framers of our national Constitution and the first Congress which assembled under it; and, while it has not always been maintained, experience teaches us that whenever it has been disregarded the nation has not only suffered in its revenues and its credit, but its material growth has been checked, business disasters have followed, and the laboring people have uniformly experienced loss and personal discomfort. It must not be forgotten that this policy in part enabled the United States to raise revenues to carry on and successfully terminate a great rebellion; to build up a wasted credit and maintain it; and as a part of its fruits we witness on the first of every month a gratifying advance toward the extinguishment of the great national debt; while the industries of the country are multiplying and diversifying until their elevating and civilizing influences are seen on every hand. The East and West are not alone its beneficiaries, but the South is already feeling its force and quickening into energy under its influence.

No party can successfully battle this grand principle of self-preservation and national independence. It gains adherents from its better understanding, and gathers friends as its triumphs are seen. It has no touch of sectionalism, and casts no shadows of past conflicts. It can excite no bitter partisan warfare, nor awaken any of the unpleasant memories of the past. It is natural in its purposes, its blessing, and its benefits. It has given life and permanence to the great manufactures of the United States, which are our pride and glory, and they in turn have furnished a good and convenient market for the products of the farmer, while under its operation labor has found ready and profitable employment. There is no section or true American interest that does not share in its beneficence and feel the life-giving force of its influence. Labor, which forms the basis of all true wealth, is most perceptibly benefited by a wise Protective system. Nowhere is this more manifest than in the condition of our laboring men, mechanics, and artisans, when contrasted with the condition of the laboring men of other countries. Nobody realizes this more than the skilled and unskilled American laborer. This difference of condition to me is a full justification of our tariff policy, and is compensation enough if it stopped here.

As the late President Garfield declared in his letter of acceptance, in speaking of the tariff and its relation to labor, "It is our glory that the American laborer is more intelligent and better paid than his foreign competitor."

We do not want to carry this national policy to extremes. It should not be prohibitory in its operations, but so just as to allow a fair competition between the home and foreign producer, and so reasonable as to be always defensible by its friends and impregnable to the assaults of its enemies.

In the main, our tariff laws come within this rule. They do not prevent foreign trade with this country or shut out the United States as a market for the world's producers. In some respects they need a careful revision, one which will drop out the inconsistencies and incongruities which now exist.

The advocates of Protection have no fear of an intelligent revision of the tariff; indeed they invite it. They believe it will survive the closest scrutiny, and that an investigation of the subject, conscientiously and intelligently made, will strengthen, not weaken, their position.

It must be conceded, I think, that some of the rulings of the customs officers of the Treasury Department have inflicted great injury

upon the home producer and deprived the Government of honest revenue, and that they demand a speedy remedy. Where the remedy is to be found will command, I trust, the best thought of this Convention.

I am not here to question either the intelligence or integrity of the officers whose decisions we complain of. It is the decision, not the court or tribunal making it, with which as practical men you have to deal. The executive officer must interpret the law as he understands it. If he is wrong there should be a final court, possessing the requisite intelligence and the confidence of the people, to review the executive rulings and announce the law as rightly interpreted. Much of the injury complained of is the fault of the law, and can only be corrected by amendments which shall make the text of the statute so plain that a wayfaring man can comprehend it, and the humblest Treasury official can not err in its execution, and so plain that neither the foreign producer nor the importer, nor both combined, can evade its provisions.

New forms of manufacture, which were not in existence or were unknown at the time the present law was enacted or having no commercial designation then, and are imported under the clause "other manufactures not herein provided for," should be either added to the law by their true and accepted designation or covered by a general provision which shall make such new form dutiable at a rate not less than the rate charged upon the material of chief value of which it is composed. In many cases the new form is in an advanced stage of manufacture, representing more labor and expense, or is given a new form to evade the duties otherwise chargeable; and yet, under the law and the Treasury rulings, it is admitted at a less rate of duty than the simpler manufactured product of the same general class or cruder form of the same materials, or what is substantially the same product and employed for the same uses.

Let me illustrate: By reference to the statute it will be found that bar iron, which is used for wagon tires, pays a duty of  $1\frac{1}{2}$  cents per pound, and that hoop iron, such as is used for barrel hoops, pays the same duty; but should any amount of labor, no matter how trifling, be expended upon the above forms of iron, and which would not essentially increase their value, but would give a new commercial designation to the product, under the existing interpretation of the law they are admitted at a much lower rate of duty than though they had been imported without any added labor or expense. It surely was not the purpose of the law that bar iron,

which pays a duty of  $1\frac{1}{2}$  cents per pound, if found cut in lengths, holes punched into the ends, and riveted and welded together for use in making wagon tires, should pay a less duty than the bar iron having no such labor or contrivance added. The same is true of hoop iron, which pays a duty of  $1\frac{1}{2}$  cents per pound; but if cut into lengths, and a buckle or loop riveted thereto, it is at once transformed from hoop iron to the general classification called manufactures not otherwise provided for, and bears only a duty of 35 per centum *ad valorem*. A like condition is found as to galvanized iron, which bears a duty of 2 cents per pound; but when imported in plates of a peculiar construction, to be used for roofing, is held to be dutiable as manufactures of iron at 35 per centum *ad valorem*. Coal-hods, manufactured exclusively of galvanized iron, pay a very much less duty than simple galvanized iron, notwithstanding the increased labor and expense employed to put it in that form. It is done by foreign labor, and yet comes in at a less duty than the plain galvanized iron—a marked discrimination in favor of the foreign and against the American laborer. The same is true as to plate iron, which pays a specific duty; but when prepared ready to be put together for the manufacture of tanks it escapes the full duty, and is admitted under the clause of manufactures not otherwise provided for at 35 per centum *ad valorem*.

One dollar a ton in many cases will put the iron above considered in a form which evades the specific duty of  $1\frac{1}{2}$  to 2 cents per pound, and transfers it to the title of manufactures not otherwise provided for, where the Treasury would receive from \$15 to \$16 per ton less than is now paid upon the plain hoop or bar iron. It surely will not be contended that this is fair.

Interpretations of this character can not and ought not to be maintained. If the laws justify or demand such a construction, they ought to be amended in harmony with the long-established principle of tariff legislation which imposes a higher rate of duty upon products of advanced manufacture than upon the crude or raw material or simpler form of production, the duty to be increased as the labor expended and skill bestowed are increased. This has been the controlling principle in the make-up of all general tariff laws. It is a just discrimination in favor of American labor and skill and against their cheaper rival. It was recognized as early as 1789, when the first tariff legislation in the United States was enacted. It was again asserted in the Calhoun Tariff of 1816; two years later—in 1818, and again in 1824, and has been

repeatedly reasserted in the acts of 1832, 1833, 1842, 1846, 1857, and in the general act of March 2, 1861. A real affirmation of the same principle is found in the act of June 30, 1864, and in the now existing laws.

What the industrial representatives of the United States, including both employers and employees, demand of the law-making and law-interpreting power is a full recognition of this great underlying principle of the American tariff system.

The demand is a reasonable one, and ought to be heeded. The Ways and Means Committee of the 46th Congress recommended the passage of a bill which, it was thought, would correct the evil in part, and render what are called the unjust decisions of the Treasury Department impossible. The bill is a substitute for the one introduced by Mr. Townsend, of Ohio, upon the same subject, and is as follows:

A bill in relation to the duties on manufactures of iron, and so forth.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the paragraph of section twenty-five hundred and four of the Revised Statutes which reads as follows: "Manufactures, articles, vessels, and wares, not otherwise provided for, of brass, iron, lead, pewter, and tin, or other metal (except gold, silver, platina, copper, steel), or of which either of these metals shall be the component material of chief value, thirty-five per centum ad valorem," be, and the same is hereby, amended by adding thereto the following proviso:

"*Provided,* That in no case shall the duty on any manufactured article be less than the duty upon the material of chief value from which it is manufactured."

Unless some cure can be found for this injury to American industries great interests involving both capital and labor will be seriously crippled if not wholly destroyed. Treasury officials are not averse to a legal correction of this evil. Mr. Sherman, the late Secretary of the Treasury, called the attention of Congress to this subject, and recommended the enactment of a law which would preserve the correct principle of tariff legislation. I do not doubt that the present Secretary of the Treasury will make a similar recommendation. With the decisions, as we find them repeatedly affirmed by succeeding Secretaries of the Treasury, as they have been, it occurs to me that the only true and practical remedy is with Congress.

And if the law-making power will heed the words of the late President Garfield, when he said, "We legislate for the United States and not for the whole world," the labor and industries of

this country will not long suffer under the injuries to which I have referred.

Let Congress remember and let all Americans cherish these other noble utterances spoken on the floor of Congress on June 4, 1878: "For the present, the world is divided into separate nationalities, and that divine command still applies to our situation, 'He that provideth not for his own household has denied the faith and is worse than an infidel;' and until that era arrives (described by the gentleman) patriotism must supply the place of universal brotherhood. For the present, Gortschakoff can do more good for the world by taking care of Russia. The great Bismarck can accomplish more for his era by being, as he is, German to the core, and promoting the welfare of the German Empire. Let Beaconsfield take care of England and MacMahon of France, and let Americans devote themselves to the welfare of America. When each does his best for his own nation, to promote prosperity, justice, and peace, all will have done more for the world than if all had attempted to be cosmopolitans rather than patriots."

The Chairman then announced that next in order was an address by Mr. Stockton Bates of Philadelphia, who spoke as follows:

#### ADDRESS BY MR. STOCKTON BATES.

GENTLEMEN: I appear before you on behalf of the manufacturers of textile machinery and its collateral industries. This class of American industry has felt most keenly the necessity for such a tariff convention as this, and is fully in sympathy with its objects. "Immediate remedy of the injuries done by decisions of the Treasury Department and the courts" requires immediate and intelligent action—action, not in favor of class legislation, but on behalf of every man, woman, and child in America earning wages. We are here to-day, not in the interest of monopolists, but to secure "such tariff legislation as will be Protective in character, consistent in all its parts, and adapted to the present condition of the business of the country."

On these two "grave questions of public concern," as applied to and illustrated by our own direct experience, I ask for a short time your attention. But, first, I will say that "the appointment of a competent commission to thoroughly investigate and report upon the progress, condition, and needs of American industries, and to

recommend such tariff legislation as will be Protective in character, consistent in all its parts, and adapted to the present condition of the business of the country," meets the hearty approbation of the industry on behalf of which I speak.

All experience shows that there is no domestic monopoly so greedy as a foreign monopoly, and that nothing but domestic competition can prevent it; further, that there is no road to permanent cheapness so sure as the encouragement by Protective duties, under which this same domestic competition is sure to spring up. Protection, then, does not mean higher prices; but it does mean steady employment at fair wages to American mechanics; plentiful and cheap markets; development of resources; success, comfort, and happiness.

We do not claim that America needs a higher rate of Protection than our present laws are intended to afford; but she does need an enforcement of existing laws, and also such an intelligent revision of them as shall make them consistent, equitable, "and adapted to the present condition of the business of the country." To illustrate how the progress of art and science requires changes, from time to time, in legislation, I quote from a late English newspaper:

"The Secretary of the British Iron Trade Association sends a copy of a letter which was addressed to the French Treaty Commissioners, in regard to the change which is taking place in the conditions of the manufacture of iron and steel, and its bearing on the negotiations now proceeding. The President of the Association says: 'The late proceedings of the Iron and Steel Institute induce me to urge once more the necessity of keeping this change in mind. Should it be disregarded in the new treaty between this country and France, no long time can elapse before it becomes quite inapplicable to the trade between the two countries.'"

Similar necessity of fitting legislation to American needs exists in our own tariff laws. So far as one branch of American industry is concerned, viz., the manufacture of textile machinery and its collateral industries, I assert that the existing laws are not fully and in all cases enforced. The Government officers at the several ports of admission have not, in all cases, sufficient knowledge to enable them to be efficient. Technical information is required to detect fraud and protect both the Government and the people. The pay is insufficient for such service. I believe the appraiser at Philadelphia is in receipt of only \$3,000, and the one at Boston of \$4,000 per annum, while the examiners get only about \$1,500. For such

responsible positions these sums are entirely inadequate to secure efficiency.

The textile-machine industry in the United States suffers because of this, and the Government is defrauded, in the evasion by importers of duties on machinery, parts of machinery card-clothing, etc.; and I believe these frauds are not confined to machinery, but attend the importation of other merchandise. An importer tells me that, in making his purchases of silks in France, the seller asked if he should make out a special invoice for the customs at a lower price than was actually paid.

Lulled into a sense of security by a supposed tariff Protection we have at last been rudely awakened to find ourselves face to face with prices we in vain strive to meet. One of three things must result: 1. Our legislation must be so framed and enforced as really to protect; or, 2. The American machinist and artisan must accept and work for as low wages as are paid in foreign countries; or, 3. The manufacture of machinery for the textile industry must cease.

On behalf of the Bridesburg Manufacturing Company, of which I am an officer, and in the interest of all American builders of textile machinery, manufacturers of card-clothing, mill-findings, and supplies, I ask that the influence of this Convention be so exerted that the lurking danger now threatening us may be averted.

That you may know, that the American people may know, that our representatives in the legislative halls at Washington may know, what magnitude this danger has assumed, attention is called to evils by which the United States Government is directly defrauded; by which the American builder of textile machinery is forced into unfair competition with the foreign builder; and by which, if the industry is to remain, the American mechanic will be compelled to work at very much lower wages.

Our interest is nominally protected by an *ad valorem* duty of 35 per cent. on the iron and 45 per cent. on the steel in machines composed in whole or in part of these materials. To illustrate: A loom selling in England at say £16 should cost in America, in addition to freight and boxing, not less than £21. Surely this seems to be sufficient Protection. A margin of £5, or in round numbers \$25, ought to enable the American builder to thrive. But how stand the facts? Such looms have been laid down free on our wharves at a less price than the same looms sell for in England. Not only at a less price, but at so much less a price that, with duty, freight, boxing, and port charges added, the total cost has not ex-



ceeded the value in England. This is not only the case with looms, but also with self-acting mules, carding-engines, card-clothing, cotton-lappers, worsted-twisters, and spinning machines and textile machinery generally.

To explain more in detail how this is accomplished, I now assert that every known method is resorted to to evade the payment of duty. It is a common practice for new machinery to be run for a short time in England until oily and dirty, and then be shipped to the United States—at perhaps 25 per cent. of its original value—and entered as second-hand machinery. A number of mills in this country have been fitted with this class of machinery, and very large quantities of so-called second-hand machinery are continually arriving at our ports. Under our present tariff laws there is no proper method for the valuation and appraisalment of second-hand machinery, and its importation under existing forms is an evil which should at once be checked.

The second method of evasion is accomplished by not sending package invoices, or by imperfect description of contents of packages, aided by the present system of permitting removal to the mill before the goods have been seen and examined. It is known that shipments have included goods, not invoiced, exceeding in value those reported to the Government.

The third, and most common, method is by undervaluation. This has been practiced ever since tariff laws were passed. Two invoices are made out: one for the buyer of the goods; another, at a lower rate, for the custom house. On this latter invoice the Government bases its tariff charges. While it is true that in a number of instances importers of undervalued English machinery have been detected and a re-appraisalment ordered, involving them in great delay and direct loss, and while, with competent officials, this danger of detection is imminent, some additional safeguards are needed.

The fourth method, that of not specifying the true value of the steel in manufactured articles, is one needing no illustration; but your attention is called to a decision of the Treasury Department by which great wrong is done. Under the law machines composed only in part of steel are yet subject to an *ad valorem* duty of 45 per cent. But, by the decision above referred to, permission is granted, where such steel parts are readily separable, (the spindles or rollers of a spinning-frame, for instance,) to invoice such steel parts independent of the rest of the mechanism, thus effecting a saving of 10 per cent., which, under the law, should be charged.

The fifth method needs, perhaps, some illustration. The dishonest foreign machine builder has an agent in this country, to whom all shipments are made at values agreed upon, and through whom all prices are given and sales made. The agent sells at a stipulated price in dollars and cents, freight, duties, and all other charges included, and undervaluation is resorted to to make good any sacrifice made to the American buyer, so that the matter results both in defrauding the revenue and depressing home industries. The American buyer, in this case, is not a party to the fraud, but purchases of the agent, and perhaps regrets that his neighbor, the American machine builder or card-wire maker, can not compete. From three-fourths to seven-eighths of the importations of machinery reach this country through but three agents, representing about the same number of foreign constituents. The machinery of many of the best English builders does not reach this country. They descend to no tricks.

By shipments of parts of machines at different times and under separate invoices, which is the sixth method, detection is almost impossible. Tariff officers would be required who were intimately familiar with the values of detail parts of machines—an amount of technical knowledge not to be expected of revenue officers at their present rate of compensation. In illustration, say the frame ends, beams, and small cast-iron parts of a drawing-frame are shipped, invoiced as castings; then, perhaps through another port, the rollers, coilers, gears, etc., are invoiced as repairs, at nominal values. Now, when all these are assembled, the purchaser has a complete machine, saving by this operation from 15 to 30 per cent. if not the entire duty.

We are loath to charge the practical evasion of the revenue laws to dereliction of duty on the part of Government officials, though suspicious circumstances have been brought to our notice. What we desire to urge is, that the state of the law appears to afford opportunities for wrongful decisions, which work great injury to our branch of industry; that, therefore, the law should be so amended as to render impossible any honest misapprehension; and that meantime the Customs Bureau of the Treasury Department should be more in the interest of honest Americans and not of fraudulent foreign manufacturers.

For the year ending June 30, 1880, the importations of machinery were over \$2,000,000, at the low valuations furnished to the Government, while for the year ending June 30, 1881, the

amount will probably be shown as over \$4,000,000. This sudden increase of importation of foreign machinery well illustrates the tendency of such unpunished frauds to multiply and take to themselves all the trade in which they are permitted. The total loss to the revenues may be estimated at from 15 to 20 per cent., or, in other words, not more than one-half the duty has been collected upon the total imports. This indicates the direct loss to the Government. But the indirect loss to the American machine builder is more serious. He not only loses his business and a legitimate profit from its conduct, but, in his struggles to compete in this unequal commercial warfare, he is compelled to cut down the wages of his employees, though no retrenchment in this direction can overcome a margin of from 15 to 30 per cent. in favor of a competitor, against whom his Government should, and under proper tariff regulations would, protect him.

Unless these evils are corrected by proper enforcement of existing laws, as well as by proper tariff revision, ruin threatens an industry the magnitude of which may be partially estimated by the number of hands employed directly in it. This number is approximated as follows:

Lewistown Machine Co., Me....	300	Thomas Loom Co., Mass.....	
Saco Water Power Co., Me.....	600	Otis, Pettee & Co., Mass.....	200
Hardy Machine Co., Me.....	150	T. K. Earle Manufacturing Co.,	
The Whitin Machine Co., Mass	750	Mass.....	
Lowell Machine Co., Mass.....	1,500	Lanphear Machine Co., R. I....	
Davis & Furber, Mass.....	400	Woonsocket Machine Co., R. I.	
E. P. Stetson, Card Clothing,		Providence Machine Co., R. I.	400
Mass.....		S. Colven & Co., R. I.....	
Sam'l E. & T. Stott, Mass.....		Payne & Mathewson, R. I.....	
The Kitson Machine Co., Mass.	200	A. Hopkins & Son, R. I.....	
George Draper & Sons, Mass...		Franklin Foundry and Ma-	
Rodney Hunt Machine Co.,		chine Co., R. I.....	500
Mass.....		J. & W. Lyall, N. Y.....	
James Hunter & Son, Mass.....		Danforth Locomotive and Ma-	
Sargent Machine Co., Mass.....		chine Co., N. J.....	300
Cleveland Machine Co., Mass...	200	H. W. Butterworth & Sons,	
Whitehead & Atherton, Mass...	200	Penna.....	150
Lowell Card Co., Mass.....		Bridesburg Manufacturing Co.,	
D. F. Robinson, Mass.....		Penna.....	600
Silver & Gay, Mass.....	300	Dienelt & Eisenhardt, Penna...	100
Mason Machine Co., Mass.....	1,000	Thomas Wood, Penna.....	175
Kilburn, Lincoln & Co., Mass...	200	James Smith Wool Machinery	
Hopedale Machine Co., Mass...	200	Co., Penna.....	250
George Crompton, Mass.....	700	M. A. Furbush & Son, Penna...	300

In all there are about forty or fifty enterprises, employing upwards of fifteen thousand hands.

It is true that, for their present capacity, the American builders of textile machinery and manufacturers of supplies are now fully employed, but the aggregate mechanical force of all the shops in this country scarcely equals that of but two or three of the large English shops. The number of machine shops in England may be set down at from four to five hundred, and the aggregate number of men employed at about 100,000.

Unprotected, the American textile-machine builder can not exist. Without suitable legislation, so enforced that it really protects, we see little encouragement to hope that our industry can even hold its present status, much less expand, as it should, to supply the great prospective wants of this country. In behalf of it we again ask such action by this Convention as shall add weight to our cause. The evils we are subject to are inherent in the system and mode of enforcing our revenue laws, and must be removed, if necessary, by heroic treatment. In the correction and removal of them we would have the sympathy and indorsement of every honest machine builder in England or on the Continent, for they are likewise sufferers. Only recently have these men come to realize why machines built by them have found no market in America, while those built by their English competitors found ready sale. When they learned of the methods by which some of their neighbors and American buyers evaded the American duties the subject was at once explained.

[Resolutions introduced by the textile-machine builders will be found elsewhere.]

The Chairman stated that Hon. Joseph Sheldon, of Connecticut, had prepared an address. Owing to the lateness of the hour this address was not delivered, but permission was given to print it.

#### ADDRESS BY HON. JOSEPH SHELDON.

MR. PRESIDENT AND GENTLEMEN: I thank you for the invitation to address this body of practical men—men who intimately know the real needs and facts of production and trade. It is certain that the great industries on which we at least believe the best interests of this nation and of mankind rest are to-day most persistently and bitterly assailed and imperiled by theorists. They fill professors' chairs in almost all our universities and colleges and schools. They, in at least one of these chief seats of learning, have for yearly distribution the medals of the London Cobden Club, held up before

the thousand young men assembled there as among the chief honors to which they can attain during their university life. These theorists fill the pages of the Reviews; they publish books; and some have at last seized upon the hapless State of Iowa, and are especially industriously showering upon the intelligent and sturdy farmers of that excellent State through the local newspapers their theoretical disquisitions on Free Trade. In all these ways they industriously represent the doctrines of Protection, from what they call the standpoint of science, to be clearly and utterly false and wrong. They say that so far as tariff laws protect they are clearly outlaws and tramps in the realm of science, and ought in fact to instantly die; that Protection does not even protect; that tariff laws founded on other reasons may sometimes find a possible excuse, but for Protection by tariff laws no scientific economist can have any toleration whatever. These and kindred statements are put forth confidently, unhesitatingly, and a deep, lasting, false impression is often in this way made against Protection.

Then, as to Free Trade itself. These theorists constantly set forth that Free Trade means merely trade free from any legal obstruction; free in the ordinary sense of the word as we apply it in free speech, free soil, free men, freedom itself; that all these free things are directly along with, indeed a part of, the grand current of human progress, development, and well being; that as we heartily believe in all these, and desire to help them forward, we must inevitably, logically believe in Free Trade as one of this same very respectable family of "frees"—the same principle applied to trade—and if we favor Protection and oppose Free Trade we must logically and necessarily oppose all human progress, development, and well being.

With your permission I will examine a little these extraordinary claims of the advocates of Free Trade, and set forth, as well as I may, some of the grounds on which rest our modern Protective laws.

As to Free Trade itself, let us not take any loose or hasty statements; for we are not here to beat the air; we wish to meet the exact issue, not to evade it; we do not wish to escape the pith of this discussion in any cloud of words or to permit any one else to do so. David A. Wells, one of the ablest Free-Trade writers in America, carefully stated what he calls "The Creed of Free Trade" in the August number of *The Atlantic Monthly* for 1875. In that statement he says: "Free Trade in its fullest acceptation as defined

by Chevalier is the free exercise of human power and faculties in all commercial and political life; in its most technical sense it means the freeing of all commodities and services between man and man irrespective of residence and nationality from all arbitrary artificial obstructions and interference, resulting from legislation or prejudice." In these rather *wordy* words of Mr. Wells I think the modern doctrine of Free Trade is fairly embodied.

We may safely assume that American Free Traders will all *claim* to support the fundamental doctrines of equality, and to favor legislation by our Congress in the interest of the whole people of this country. Our argument will be conducted on that basis.

It is said that Free Trade is simply trade free as we use the word in free soil and freedom. What then is freedom? Does freedom as we know and love it anywhere ever appear in the absence of what Mr. Wells calls "the obstruction and interference" of law—of righteous law? The assumption of Free Trade advocates seems to be that the freedom dear to us naturally exists in the mere absence of all law; that, because freedom has sometimes been unduly, unwisely restricted by law, therefore in the absence of restraining law a perfect freedom will be the natural and inevitable result. Is not the very substance of freedom as we know it always the creature of positive law protecting the weak from their natural enemies and assailants, so that all men become at last forever free under and by virtue of just and righteous law forbidding any to wrong or to make them slaves, and no man be free to wrong or enslave his neighbor in the absence of law? We claim that "free" in Free Trade has the latter meaning; "free" in free men the former meaning.

We will not stop to point out how slaves eagerly and freely accept the terms offered to them—the exchange of all their "services" for coarse scant food and clothing and their lives, when the alternative is cruel punishment and death. Nor how willingly you exchange your money and your watch with a tramping robber or brigand when in a lonely road at night he barely hints at the unpleasant consequences that may be attached to your declining his propositions. You make the exchange voluntarily and gladly, while he suggests how entirely free you are to take your own course. He may even repeat for your comfort and edification Mr. Wells's beautiful formula of Free Trade while you empty your pockets into his. He may blandly inform you that he is merely illustrating to your rather dull perceptions the grand principle of "freeing the exchanges of all commodities and services between man and man irre-

spective of race and nationality from all arbitrary artificial obstructions and interference, resulting from legislation or prejudice." You would have no doubt that this wild kind of freedom ought to be obstructed and interfered with by the criminal law.

Mr. Wells may insist that, although his language does indeed cover this case, yet he did not intend it to be so construed as to include such commercial transactions as rest on physical violence, or on duress by threats; that he does not mean to really justify the coarse methods of slavery and robbery, of corsairs and brigands in commercial affairs.

What then is the essential nature of trade itself? The grim, ugly fact is that trade is a fight; the markets are battle-fields; the traders are gladiators carrying on a true war of wits and of situations around questions of value, price, terms of bargains, and broken contracts, with a result seldom of equal advantage to each side of the trade, and with little care on one side whether the opposing party or the community can afford that the trade be made. Each is always seeking for, and by all possible methods is trying to get, the best of the bargain. This contest is everywhere waged, is always going on whether a lady buys a pair of gloves, or a syndicate corners Erie; for price, the adjustment or final surrender in the trade fight, is seldom what is merely equitable, or what the stronger in the fight might well afford; but it is often, if not always, the utmost that quiet cunning and remorseless greed can wring from the weakness, the ignorance, the necessities, the hopefulness, the reluctance to contend, of "the party of the second part."

If you have any lingering doubt as to this fact—that trade is a fight, as it is not laid down very clearly in the books on political economy, step into Wall street or any other market place, and with one thousand or one hundred thousand dollars in your pocket begin business, and you will find in less than a year a whole flood of light poured upon this very point. Of course, much commercial intercourse is of a different character, and approaches ideal justice.

Our laws for Protection imply an assailant—an assault anticipated, dreaded, to be guarded against. In trade it anticipates and dreads these hard bargains driven on the fighting side of trade, under the motto, "let the fittest survive." It is a device of common sense, by which a party weaker at the time and place of the expected attack wards off that attack, and by which it is permanently guarded from loss and destruction from that assailant and that assault.

The farmer makes a garden. His neighbor keeps pigs. His garden, without protection, is no match for the pigs, and he is in no mood to try in this way the experiment of letting the fittest survive. The garden needs the protection of a light fence, and the farmer has the common sense to build it. Or he has sheep where wolves and dogs abound, and he gives his sheep the protection they need. A small army is attacked by one larger, more cunning, or more powerful. The smaller supplements its weakness by the protection of ditches and earth-works, and common sense approves. The government builds forts and lines of torpedoes to guard its cities from attack by land or sea. It supplements its small standing army by good substantial forts, in which a few men can temporarily withstand the attack of a large force. So we say that Protection always implies an assailant, and anticipates an attack by the selfish and the strong upon the weak or exposed in the contests of trade, whether that attack arises at home or comes from abroad. At home we deal directly with the matter through legislation, the courts, and public opinion, which last Mr. Wells will probably call "prejudice."

Look at a specimen trade at home, and the way protective laws operate at home. Mr. Vanderbilt, in the absence of a law "obstructing" and "interfering," in the words of Mr. Wells, with his trade as a common carrier, holds the farmers of New York and the West, the merchants and the manufacturers of New York and New England, in his single hand. He puts his prices for local transportation at twice his present rates. They object and complain. He says, "If you don't like my terms do better if you can; you are entirely free to do that." They try to bring him to fair play by the wasteful and expensive means of competition, and, with great difficulty, build a rival road. Mr. Vanderbilt, with the sure instinct of a practical Free-Trader, attacks this rival road with intent to kill. He immediately puts his prices for carrying passengers and freight so low that he loses on every pound and passenger he carries—loses all the time—in order to compel his rivals to lose also by every pound and passenger they carry, or do nothing and be eaten up by rust, rot, and the interest on money. He knows he can carry on this losing traffic longer than they can, and still survive himself. In this way he drives this rival road under the sheriff's hammer. He then steps in, and buys it at a quarter of its original cost, and is twice as strong as before. He puts up his prices to a figure which will soon recoup his losses. He can then, more easily than before, resist any further insurrection of his serfs. He is ready to begin the real busi-



ness, for which alone he has undertaken all this preliminary skirmishing, while he was getting them into position. It began in the sweet little benefits of Free Trade, of unfair and wasteful competition; it ends in virtual slavery, in the absence of protecting law. He is quite content in the belief that he could carry out his plans and purposes in the absence of "all artificial obstructions and interference by legislation." But the people of the State are not content to be left without some protection from this unfettered greed. They, therefore, in plain defiance of Mr. Wells's famous "creed," but in accordance with common sense, place an "arbitrary artificial obstruction and interference" in the way of these exchanges of his services as a common carrier.

It is easy to see that these "obstructions and interference" may be so made as to be unwise and injudicious; that they may need to be changed from time to time, to meet the changing facts. Into the discussion of particular details I shall not now and here enter. I merely inquire whether any "obstructions and interference" are, or ever can be, wise and right. The people of the State of New York, and all who have occasion to trade with the New York Central Railroad Company, as to passenger fares, have been able to do so at the rate of two cents a mile, by the simple virtue of a legal "obstruction," and with manifest advantage to themselves, and with no irreparable injury to the spirit of enterprise in the managers of that corporation. It is, however, a manifest violation of the whole creed of Free Trade.

Again, in a small way, the law is a valuable "obstruction" to the bargain a hackman would compel you to make with him when you arrive in a strange town on a dark night. You don't know your way; he does. He is for the moment your superior in your relative situations. He would be glad to charge you five dollars for a ride of forty rods, and would often do it but for the obstruction of the city ordinance that fixes his fare at fifty cents. There is not a civilized city in the world where this manifest violation of the creed of Free Trade is not wisely and righteously enacted by its local government. - Protection protects.

There are a multitude of relations where these hard, unconscionable robber bargains are or would be made, but where the law is an obstruction, and defeats the injustice.

A vast mass of law is in daily use in the court, which common sense, the profoundest judicial wisdom, and the highest ethical principles unite in commending as most valuable parts of our

system of commercial law. It has all grown out of the common experience of mankind that this conflict of trade is always raging; that the parties are almost always unequal; and that in the absence of some legal interference the substance of robbery goes on. The "obstructing" and protective law saves at once the weaker party and society itself from this assailant and the consequences of this assault.

A tree, a flock of sheep, or a nation, can be attacked and destroyed in many ways. They can be preserved and be made to flourish in only one way. They must have the conditions needed for their growth, and must be guarded reasonably from their enemies without, as well as from within.

These attacks from abroad, like stratagems and tactics in war, are as various as the genius and ingenuity of the assailants can contrive. But we shall not, we do not, rest alone in sluggish apathy and indifference upon the defensive fortifications of tariffs; we trust largely for our victories in this trade fight to the genius, skill, and perseverance of our inventors, our captains of business and industry, to the steadiness and valor of our well-paid industrial soldiery. With them we hope for quick and permanent success in achieving the victory of cheapness, for which such an impatient clamor is so assiduously maintained; but, far or near, it must not be won at the expense of injustice to labor, and the degradation of competitors.

Free Trade has to-day its worthiest representative in Great Britain; its special virtues should appear on British soil. But Great Britain is to-day relatively declining in power; it seems to be visibly withering before all eyes; with a foreign trade enormously larger than any other nation on the globe yet has, or ever had, and with a position and power still unrivaled, it stands no longer among the nations the commanding figure that it was forty or fifty years ago; its recent spasmodic Beaconsfieldism, brilliant with glittering display, can not cover the ugly facts. Its merchants and traders have been, are still, and will long remain the leading merchants and traders of the world. They have facilities that can grow only by extended time. They have run the channels of their trade deep and broad. They have anchored their ships securely in the harbors of English-speaking colonies in every quarter of the globe. They have penetrated literally to every civilized and every savage race with their trade; and it will be long before their supremacy will be lost or be seriously contested. Their manufacturers, and artisans, and inventors, whose achievements in produc-

tion have borne so great a part in creating the colossal power of the British empire, are struggling in a contest in which they are no longer the easy victors over all peoples; and in which they are foredoomed to certain defeat and utter rout within the lifetime of many now and here present, unless substantially and soon the policy of waste and ruin under the name of Free Trade shall be abandoned.

Under Mr. Cobden's policy, to "take care of your consumer, and your producer will take care of himself," the statesmanship of England is breaking down the supremacy of England in all its minor trades faster than its producing millions can build it up. The silk industry of Spitalfields perished under this unfair and ruinous competition.

The sugar refineries are going down surely and fast; turn where you will the same story is told. Articles of glass, leather, sashes, blinds and doors, furniture, stoves and light machinery, tools, and a countless variety of articles, are now made abroad and sold in the English market for consumption. Even the iron doors of the new post-office building in London, and of that at Birmingham, came from Belgium.

The British merchants and Free Traders, as I have said, will long survive; but the British manufacturers and artisans have had their best days under this policy. The British merchants have possession of the markets of the world. They will as readily distribute everywhere American, French, German, and Russian goods as they will British goods, and will profit by their advantages.

The British manufacturers and artisans feel uneasy. The workmen band themselves together in trades unions, to push back the ruin for the moment upon their employers, whom they regard as their natural enemies and constant oppressors. The employers, standing between two or a half-dozen fires, feel that there is no use to struggle against the inevitable.

I chanced to ride in the cars with a Gloucester manufacturer of woolen goods; we fell to talking of business; he had been berating our tariff in good set Free-Trade terms, using the usual arguments. But at last, said he, confidentially, "Do you think the American tariff on woolen goods will remain for five years as it now is?" I replied: "No Yankee can even guess at that. The curse of our policy in regard to foreign trade is that it has heretofore been so unstable and precarious." "Then," said he, in a significant low tone, "if I thought it would I would take my whole establishment immediately over there."

We always have had free ingress for workingmen by the policy of our laws; the policy of Protection draws also the employing class. England's Free-Trade policy and our Protective laws operate together, and are introducing the manufacturing industries of England into this country, as the religious liberty of England, operating with the revocation of the edict of Nantes, filled England with French Protestant mechanics—of whom many founded great manufactories, and became important factors in England's power, in the production of wealth. So we are placing the producers of manufactured goods by the side of the producers of grain—to economically trade with each other, and escape the transporters and middle-men and much unnecessary trading.

But it is objected—

1. That tariff laws are expensive, annoying, and sources of corruption. True, everything costs—armies, navies, policemen, judges, even fences and printers' ink cost something. The only question is, Are they worth what they cost?

2. Again, it is objected that tariff laws "are in substance taxes, indirectly and unwisely levied for the benefit of persons following unprofitable employments." The central false assumption here is that that production only is profitable for any individual to engage in which no foreign interest can wantonly attack or wishes to destroy; that that garden plant is alone profitable to grow that no pig can root out; that that sheep only is valuable to raise that no wolf will touch; that that town alone is worth saving which no enemy can reach; that no manufacture ought ever to be undertaken till you can so surpass in skill and capability those foreign nations which have hitherto engaged in it that you can defy even their devilish ingenuity in the art of destroying you; that you should never learn to swim till you can swim so expertly as to defeat every effort of the old swimmers to drown you.

Carried logically out, the argument can be made to do duty just as fairly against all the people who live on the frontier in case of invasion. Why should people who will stupidly live and do business next to the enemy's line ask wiser people in the interior to build earthworks and hire soldiers; in the interior they need no garrisons—why tax them to support those who do need protection?

This reasoning carried out results inevitably, irresistibly in a trade in which a young or weaker people unprotected are forever compelled "to give a whole hide and take back the tail for pay."

When nations are subjected to discipline like this for a hundred

years they are generally ready to pass around the hat as Ireland is frequently doing ; as India was a year or two ago ; as Portugal, Spain, and Turkey are always ready to do ; and as millions in England would be glad to do if they had a whole hat to pass.

Of the outlying falsities of this central, ordinary, and extraordinary Free-Trade argument, the next most important is the assumption that Protectionists aim at visionary ends, like the raising of oranges and pineapples in snow and ice. The natural difference in people, as to what is or is not visionary, must always remain. But in view of what reputed visionaries have heretofore accomplished, a liberal margin may well be allowed for the accidents of their success.

Still, very little, if any, practical working tariff law can, I think, be pointed out and referred to this class of pine-apple and orange-growing schemes. If anything of this kind could be found it would prove no more against a judicious tariff law than a crazy proposition to surround Mount Washington with formidable forts would prove that New York harbor ought not to be defended.

Again, Protectionists do not think the Government has anything to give in the sense of Lady Bountiful's alms. They merely suppose it can as properly give Protection from pecuniary attacks of foreign traders through unfair competition as from ordinary assault and battery, or the invasion of an army.

3. It is said, If Free Trade between Maine and Georgia is good, why is it not equally good between Canada and Georgia ?

This objection is commonly stated with a certain air, as if the whole question was here crammed into a nutshell, and the absurdity of Protection would at once appear.

In any line of trade wherein we are easily victorious we can pretty safely establish Free Trade in that line till the other side is likely to beat us. And so trade with Canada alone might now have relatively few elements of danger. But Canada permitted to trade without restriction means the whole world passing through Canadian ports to our markets. Canada now might not alone be able to do us harm in the contest of trade ; all the world merely touching at Halifax would be a formidable assailant. Suppose an army that guards its front by an impregnable earthwork and leaves its flanks open and exposed—would any one wonder that an assailant does not go over rather than around the fortified place ?

4. Again, it is said, If trade be as you say, a fight, why not suppress a fight altogether, or try to do so ? If some obstruction is

good, why is not more better ; why not make it effectual, and have no trade ?

Because the evils from no trade would be infinitely greater than the evils from trade not ideally just, nor even conventionally just. The element of antagonism in trade needs control, not destruction. We do not need to destroy fire altogether, because we believe it is better when under control.

5. Again, it is asked by way of objection : " If two persons wish to trade for their mutual advantage, why should a third interfere ? It is clearly an impertinence." This is the pithiest, most plausible suggestion in the interest of Free Trade I have ever heard. It was sharply urged by a distinguished editor in England, in a conversation memorable at least to me. The answer seemed conclusive. The third party, the state, interferes because, however willing the parties may be to make a particular trade, however much they may consider it to be for their mutual advantage, the third party may have most excellent reasons for interposing a veto. A rum-seller and a drunkard may wish to trade for a bottle of rum, and both may consider the trade to be for their mutual advantage, but the drunkard's wife may well wish to interfere. The tax-payers might also wish to interfere for very obvious reasons.

The state interferes because a private trade may grievously affect the public welfare ; what A and B do with their property is of decided importance to C and the rest of the state, and so the state, by wise and gentle coercion, within certain small limits, may make it easier for A and B to do what favors the interests of the rest of the community than what militates against them. This the state does by protective laws, whose object is to defeat some crude forms of injustice, to extend the same influences which all the other bulwarks of civil liberty and good government exert in gaining a little nearer approach to real justice and equivalence in trade, and in promoting that general welfare that leads on to the final victory over the warfare and the trade fights that are the scandal and disgrace of the nineteenth century.

6. It is claimed that our tariff laws unjustly attack some Americans for the benefit of other Americans. This is not exact. " Some Americans " object to Protective laws, because they are simply eager to get somebody's work for little or no pay ; they cry out for a share in the bargaining plunder of those unable to defend themselves from that plunder ; they clamor for the gains of accomplices in *quasi* crime ; to make goods cheap, they are indifferent whether working-

men at home and abroad, in vast multitudes, are forever and habitually bargained to despair. This indifference apparently seems wise and right to some doctors of divinity and political economists. The child looking at a picture of Daniel in the lion's den was deeply affected for fear some of the small lions wouldn't get their share of Daniel.

But the harmony of conflicting interests in trade can never be found by ignoring the contest and pretending there is already peace. We quench no conflagration by denying its existence, or claiming that it must never be controlled. We can have no repose by blindly imploring fire and gunpowder to lie down together, and be quiet. Only by patiently studying and fully understanding all the conditions in which the conflict begins, and on which its continuance and mitigation depends, can we hope to harmonize in lasting peace these great forces of human nature warring in trade.

The problem, once clearly apprehended, will be finally and swiftly solved. This marvelous human race, already vigorous, is rapidly growing; in numbers, resources, and power its thinkers and workers advance. From the jungles of ignorance, and superstition, from greed-born poverty, and the weakness of caste, it has stepped forth to struggle with some of the sublime elemental forces of the universe, whose action, unknown and controlled, was for ages a terror, but whose quiet burden-bearing is the common-place of to-day. Let us rest assured that it will at last hush its own warring activities, and advance by higher methods to nobler results. In that great work we may cherish an equal assurance that the thinkers and the students of our universities will bear an honorable and a manly part, that they will yet learn and preach an economic gospel at once liberal, just, and Christian, with as much fervor as they now preach one of heathenism, of selfishness, and force.

But the heat and burden of this day must rest upon the common people, upon those to whom the common school and the great duties of life are the only university, upon those whose own immediate interests are chiefly involved, and to whose unwearied vigilance and sagacity the greater interests of future generations are for the moment committed.

#### EVENING SESSION.

The Convention was called to order by General William Lilly, who presided in the absence of Chairman Miller; he announced that the second topic for discussion would be taken up, which was the

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REDUCTION OF INTERNAL TAXATION.

General Lilly then introduced Hon. William D. Kelley, of Philadelphia, who delivered the following address.

## ADDRESS BY HON. WILLIAM D. KELLEY.

MR. PRESIDENT AND GENTLEMEN OF THE CONVENTION: The time has come when we must determine whether our system of internal taxes shall be abolished or perpetuated. If these taxes are to be perpetuated, the present Congress or its immediate successor must revise our entire revenue system. If the reduction of revenue which is inevitable be long delayed, our excessive income will require changes so sudden and momentous as to convulse our financial, industrial, and commercial systems.

During the last fiscal year we paid more than \$101,000,000 of debt. To do this required the abstraction from the current income of the people of \$60,000,000 in excess of the ordinary expenditures of the Government and requirements of the Sinking Fund. This year, judging by the receipts for the first four months, we shall pay \$150,000,000 of debt, and shall exact from the people more than \$100,000,000 in excess of current expenditures and the requirements of the Sinking Fund. Could these unprecedented amounts of surplus revenue be applied to the absorption of our bonds at par till the whole debt should be paid off, there would be reason for maintaining these enormous annual exactions. I have never believed that a national debt is a national blessing, but have regarded our policy of the prompt payment of debt imposed by war or other overpowering exigency as among the wisest and most conservative of our traditions. I consequently esteem it a misfortune that bonds have been issued for such long periods that the debt may not be paid at par within twelve years, as it would have been by such annual payments as we are now making had the Government retained the control of its debt secured by the fifty-two clause in our early bonds. That we have refunded much of our debt at  $4\frac{1}{2}$  and 4 per cent. is in my judgment no compensation for the surrender of its control which was reserved by this clause.

But why express this as a conclusion of my judgment? The fact has been demonstrated historically. President Garfield's brief Administration lasted long enough to refund at  $3\frac{1}{2}$  per cent. all bonds that were then redeemable, and which we were not prepared to pay on call. Indeed the holders of the matured 5 and 6 per



cent. bonds conceded to the Government an option as to the time of payment while accepting this reduced rate of interest. It is not to be doubted that the whole of our debt might have been extended on these terms had not the Government when refunding portions of the debt at  $4\frac{1}{2}$  and 4 per cent. surrendered its control of the time of payment. Unhappily the extended  $3\frac{1}{2}$  per cents are the only bonds the Government may pay at its convenience. There are on the other hand \$250,000,000 of  $4\frac{1}{2}$  per cents which are not redeemable for ten years, or until after the 1st of September, 1891, and more than \$738,000,000 which are not redeemable until after the 1st of July, 1907. The extinguishment of either class of these loans before their respective dates of maturity will require us to go into the market and purchase them at the ruling premium of the day. I need not pause to remark that the premium would be greatly enhanced by the fact that the Government, having surplus revenue, must, in order to prevent financial distress consequent upon inordinate accumulations of money in the treasury, compete with itself as well as with the investors of the world for the purchase of its own obligations. A faint idea of the premiums it would be compelled to pay may be deduced from the fact that from 1865 to 1881, both years included, we paid as premium on the purchase of bonds \$63,594,736.93. Indeed, as we purchased no bonds in 1875-6-7-8 and 9, these enormous bonuses were paid to our creditors in twelve years. The attempt to burden our industries and harass the producers of great staples by the collection of such amounts of money to be bestowed as largesses on the holders of our debt would not be tolerated by the American people. The effort to enforce such a policy would sweep from power any administration and party by which it might be proposed.

It will therefore be well to ask, what are the annual requirements of so much of our debt as we may redeem at par in the coming twenty-six years? The "Windoms" or extended 5 and 6 per cents will be reduced to less than \$500,000,000 before the legislation which I propose can go into effect. These are the bonds that we are now paying with such unwholesome rapidity. They are, as I have said, payable at the convenience of the Government, and are the only bonds which we can pay at par within the next ten years. The next series, \$250,000,000 of  $4\frac{1}{2}$  per cents., mature ten years hence, or on the 1st of September, 1891, and these again are the only bonds which we can redeem at par during the sixteen years following that date, or before the 1st of July, 1907, when the \$738,710,-

850 of 4 per cents will mature. To pay the "Windoms" by equal annual payments in ten years, or before the maturity of the  $4\frac{1}{2}$  per cents., would require the application of less than \$50,000,000 per annum. To proceed to pay them at the rate at which we reduced our debt last year and are now reducing it, would require little more than three years. This done, the choice would be between a reduction of our revenue the extent and violence of which would disturb our entire trade, or the application of an immense annual surplus to the purchase of bonds at such premium as they might command in Wall street. The question Congress must soon decide is, whether it will not be as well to avoid this dangerous alternative by relieving the people of internal taxes, as to maintain them with all their vexations for the purpose of buying unmatured bonds at a premium.

Let us extend our inquiry from the conditions tendered by a decade to those which characterize a quarter of a century. During the coming twenty-six years we can redeem at par the "Windoms" and the  $4\frac{1}{2}$  per cents., which will together amount to about \$750,000,000. To meet this amount by constant annual payments would require less than \$29,000,000 per annum. A system of revenue which will provide for the current expenses of the Government and enable it to apply \$29,000,000 per annum to the payment of its interest-bearing debt will therefore enable it to meet its bonded engagements with fidelity and promptitude for the next quarter of a century. To collect a larger revenue will impose upon the people exactions in restraint of trade uncalled for by the necessities of the Government.

The acceptance by Congress of these views will leave the disposition of \$738,000,000 of our debt to those who shall administer the Government more than a quarter of a century hence. It is not payable now. It will then be redeemable at par, and its management may be safely entrusted to a generation upon whom its payment was devolved by men who supposed that the country would find in a reduced rate of interest compensation for the surrender of the control of its debt by the acceptance of thirty-year bonds.

#### THE LESSONS OF HISTORY.

To refuse to abolish at the earliest practicable day our whole system of internal taxes, except the tax on notes other than those of National banks, would show a disregard of the teachings of the fathers and the cherished traditions of the people. Excise duties and personal and land taxes have ever been regarded as constituting

legitimate sources of revenue for State and local governments. Interference with them by the National Government has always provoked resistance. The framers of the Constitution believed that duties on imports would furnish adequate revenue for the current expenses of the National Government, and the people have preferred that it should leave unimpaired all other sources of taxation. It is true that the Federal Constitution provides that "Congress shall have power to lay and collect taxes, duties, imposts, and excises" with which "to pay the debts and provide for the common defense and general welfare of the United States;" but the men who framed that Constitution did not intend that the Government should derive its current revenues from direct or internal taxes. Terrible experiences had taught them that resort to such taxes might be necessary in time of war, or to provide for the then existing debt, or to meet any long-continued system of extraordinary expenditures. They therefore empowered Congress to impose such taxes. Neither the Continental Congress nor that of the Confederation was authorized to tax persons or things. They could declare the amount of revenue required and assess it in proportional quotas, the former upon the Colonies, the latter upon the States, but neither body had been empowered to enforce the collection and payment of the indicated quota. To prevent the Legislature of Massachusetts from providing for the assessment and collection of the sum levied by the Congress of the Confederation upon that State was the object of Shay's Rebellion.

The history of Continental money, and the financial impotency of the Confederation which left a debt of more than \$76,000,000 to confront the first Congress under the Constitution, had shown the patriots of that day that the power of taxation was a vital element of any stable system of government, and that such government must possess the right to impose, when exigency required, excise duties and taxes on land and persons. Consequently the grant of power I have cited was embodied in the Constitution.

It was, however, I repeat, not believed that it would be necessary for the United States Government to resort to the imposition of any other taxes or duties than those which it should impose on goods imported from foreign countries. This is demonstrated by a study of the opinions expressed by Mr. Madison in the Convention for framing the Constitution, and by him and other gentlemen who had been members of that Convention or of State Conventions that approved the Constitution, in the debates of the first Congress.

That body met April 6, 1789, and in less than seventy-two hours after it assembled Mr. Madison introduced a measure for providing a national revenue. His introductory remarks were brief; and though he did not allude in terms to direct or internal taxes, he took occasion to emphasize his opposition to a resort to either. He said:

The deficiency in our treasury has been too notorious to make it necessary for me to animadvert upon that subject. Let us content ourselves with endeavoring to remedy the evil. To do this a national revenue must be obtained; but the system must be such a one that, while it secures the object of revenue, it shall not be oppressive to our constituents. Happy it is for us that such a system is within our power; for I apprehend that both these objects may be obtained from an impost on articles imported into the United States.

The discussion, in both Houses, of the bill thus presented was elaborate. There were advocates of Free Trade and of Protection in each House, but no member of either appears to have suggested a resort to any form of internal taxes; on the contrary, resort to them was disclaimed, and the assertion that "direct taxes can not be thought of, and even the excise would be unpopular," elicited no dissent.

It was the duty of Congress to designate sources of revenue and to provide agencies for their collection. Meanwhile the Government was without income, and was supported by unauthorized loans which Hamilton, as Secretary of the Treasury, negotiated through the Bank of New York. Having made these loans without authority of law, Hamilton took early occasion to recommend "the making of previous provision by law for such loans as the public exigencies may call for, defining their extent, and giving special authority to make them."

Madison's Revenue Bill, though introduced literally upon the opening of Congress, did not become a law until July. By its terms the collection of duties was to begin on the 15th of August. The term was too brief, and the custom-houses in several States were not organized until late in September. Meanwhile each day added its expenses to the debt of the young nation. Whether the duties imposed would yield sufficient revenue for its support was problematical. On so vital a point no doubt must exist, and to secure adequate means for the support of the Government Congress reluctantly consented to the imposition of internal taxes, the collection of which, under a bill prepared by Hamilton, should

begin in 1792. The measure was intended as, and proved to be, a temporary expedient. The taxes imposed yielded in the first year less than \$209,000, and in the second less than \$308,000. The tariff, in 1791, produced \$4,399,000; in 1792, \$3,443,000; in 1793, \$4,255,000, the collection of which larger sums aroused no popular feeling. But such was the repugnance of the people to the imposition of internal taxes by the Federal Government that two years sufficed to arouse hostility to the law, and to invoke, especially in Western Pennsylvania, the spirit that had inspired Shay's Rebellion in Massachusetts. It took the form of organized war, and is known in history as the "Whisky Rebellion." The appeals of Washington were in vain. The insurgents were so well armed and organized that the Administration was compelled to march into the insurrectionary district an army composed of militia drawn from several States. The annual expenses of the Government were then a little over \$6,000,000; yet the suppression of this revolt against internal taxes cost about \$1,500,000.

A repeal of the law in the face of such resistance could not be thought of. Its enforcement was required to illustrate the power of the Government to protect itself and enforce every act of Congress until the Supreme Court pronounced it unconstitutional. Congress, however, modified the law, and while appearing to enlarge its scope, contrived to make it more acceptable to the malcontents. The duties on spirits distilled from materials the product of the United States were reduced, and the importation of spirits from foreign parts, except in casks of the capacity of ninety gallons and upwards, was prohibited. The object of these provisions was two-fold: to increase the revenues of the Government, and to inspire the discontented portion of the people with the hope that they might obtain a monopoly of the spirit trade of the country. Additional objects of taxation provided for were such as would reach the merchants of the sea-board cities—carriages, snuff, refined sugars, auction sales, licenses for retailing wine and spirits, and stamps on bills of exchange, bills of lading, and kindred instruments. Farmers and planters could no longer assert that they alone were taxed.

The amount collected under this amended law did not justify its retention. In but one year did it yield so much as \$1,000,000. It was repealed, having in eleven years yielded but \$6,112,097.

The interference of the Federal Government with what were regarded as subjects of taxation belonging legitimately to the States and local governments was a pervading source of discontent among

the people, and in his first annual message President Jefferson recommended the repeal of the law. In doing this he said that the augmentation of population combined with other circumstances had produced an augmentation of revenue which justified the repeal of all internal taxes. "The remaining sources of revenue," said he, "will be sufficient to provide for the support of Government, to pay the interest on the public debts, and to discharge the principal in shorter periods than the laws or the general expectations had contemplated. War, indeed, and untoward events may change the prospect of things, and call for expenses which the imports can not meet; but sound principles will not justify our taxing the industry of our fellow-citizens to accumulate treasure for wars to happen we know not when, and which might not perhaps happen but for the temptations offered by that treasure."

Congress, responding to the wishes of the people acted promptly on the President's suggestion, and the first law providing for the collection of internal taxes by the National Government was repealed in 1802, at the end of eleven years of ineffectual enforcement.

President Madison summoned Congress to meet in extra session in May, 1813, to provide men and money for carrying on the war with England. The receipts for customs in that year were a little over \$13,000,000. This sum was palpably inadequate for the conduct of a war that might be costly and protracted. In his message the President, after stating the receipts and expenditures for the preceding six months, advised Congress to "adopt a well-defined system of internal revenue in aid of existing sources." Mr. Gallatin, Secretary of the Treasury, submitted drafts of laws which embodied the provisions of the law of 1789 and its supplements. He also proposed a direct tax on houses, lands, and slaves at their assessed value. These laws were enforced four years during which the direct taxes yielded \$10,469,992, and the excise or internal taxes \$14,143,852. Both were unpopular, and, responding to the demands of the people, President Monroe in his first message to Congress said :

It appearing in a satisfactory manner that the revenue arising from imposts and tonnage and from the sale of public lands, will be fully adequate to the support of the civil Government, of the present military and naval establishments, including the annual augmentation of the latter, to the extent provided for, to the payment of the interest on the public debt, and to the extinction of it at the times authorized without the aid of internal taxes, I consider it my duty to recommend to Congress their repeal. To impose taxes

when the public exigencies require them is an obligation of the most sacred character, especially with a free people. The faithful fulfillment of it is among the highest proofs of their virtue, and capacity for self-government. To dispense with taxes when it may be done with perfect safety, is equally the duty of their representatives.

To those who are living under a law which yielded in one year, 1866, more than \$310,000,000, it may seem strange that the people were so impatient of the petty exactions of these earlier laws. To me the wonder is that this generation has not long since followed the example of its fathers in demanding immediate repeal. On this point Hon. D. D. Pratt, then Commissioner of Internal Revenue, in his annual report for 1875, said :

These forms of taxation have never met with popular favor, and with the exception of the present revenue law have never maintained their footing upon the statute-book for any considerable time. The tax-gatherer from earliest history has been an unwelcome presence, and his business an ungracious one. His office is inquisitorial in its very nature, leading to inquiries into people's affairs, the condition of their business, their losses and gains, matters which most people prefer keeping secret from the public. The process of assessment and collection is summary, involving, in case of delinquency, penalties and sacrifice of property. The tax is a palpable thing to be paid, or some cherished possession is to be sold to meet it. No circumstances of poverty, misfortune, sickness, or death stay the distraint. Injustice in the assessment itself is relievable only by a circuitous process, involving first an application for abatement, next an application for a refund after the tax is paid or collected, and, these being overruled, an appeal to the courts against the collector. Here at last the claimant, who has insisted that he either owed no tax at all, or a tax less than that demanded, collects from the Government what he has compulsorily paid, but frequently at the expense of ruinous delay and sacrifice.

This picture of the vexations and hardships inherent in the administration of a system of internal taxation is not overdrawn. They were appreciated by the members of the 37th and 38th Congresses to whom we owe the present law. They, however, found it impossible to provide means for the suppression of the Rebellion without resort to every constitutional source of taxation. Remembering how quick the people had been to repeal the laws of 1789 and 1813, they regarded the original law and its several supplements as a vast and comprehensive but temporary measure, a resort to the extraordinary powers with which the Constitution invested Congress specially to meet the exigencies of war. That it was not regarded as a permanent part of our revenue system is apparent from the alacrity exhibited by Congress to repeal the most onerous taxes at the earliest possible day after the close of the war.

Indeed the war had scarcely closed when Congress busied itself in putting the system in process of gradual but rapid extinction. So vigorously was the work pressed that Hon. David A. Wells, then Special Commissioner of Revenue, in his report of December, 1869, stated that taxes which if continued would at that time have yielded upwards of \$200,000,000 per annum, had been repealed. This, it must be remembered, was the work of less than four legislative years. The prevailing sentiment in Congress was that the speedy abolition of internal taxes should be pressed as the policy of the country; and on the 12th of December, 1870, Mr. Kelley, of Pennsylvania, submitted to the House of Representatives of the 41st Congress the following resolution:

*Resolved*, That the true principle of revenue reform points to the abolition of the internal revenue system which was created as a war measure to provide for extraordinary expenses, the continuance of which involves the employment at the cost of millions of dollars annually, of an army of assessors, collectors, supervisors, detectives, and other officers previously unknown, and requires the repeal at the earliest day, consistent with the maintenance of the faith and credit of the Government, of all stamp and other internal taxes.

This resolution was adopted with but six dissenting votes, and it doubtless expressed the almost unanimous sentiment of the people. The American disciples of the Cobden Club had organized under the name of "Revenue Reformers." They saw in the terms of this resolution a declaration of principles so discordant with the British doctrines to which they had committed themselves that they commenced an agitation by which they hoped to insure the repeal of this resolution or the adoption of one of opposite tenor. Pending this agitation the 42d Congress was elected, and in order to test the opinion of new members on this question, Mr. Kelley soon after its organization announced his intention of bringing the new House to a vote on the resolution just quoted. In order to give those who would reduce the duties on imports rather than repeal internal taxes ample opportunity to organize their forces, he permitted the months of December, January, February, and March to pass, and on the 10th of April brought the 42d Congress to a direct vote by yeas and nays on his resolution. The 42d Congress reaffirmed the action of the 41st, with but 21 dissenting voices. These votes confirm with emphasis my assertion that internal taxes were imposed as an inevitable but temporary burden from which the people were to be relieved at the earliest possible day. Time will not permit me further to pursue this point.



## CIVIL SERVICE REFORM.

The demand for reform in our civil service is not a party catchword, but the expression of a profound and growing conviction. The power the Government may exercise through the management of its patronage is feared by every patriot; and measures and policies which involve an increase of the number of those who depend on Government employment for subsistence are in so far regarded with disfavor. This sentiment unites with economic reasons in demanding the abolition of the Bureau by which the internal tax laws are administered. It is in charge of a commissioner, whose duties are well nigh as important as were those of the Secretary of the Treasury prior to our civil war. There were on the rolls of this Bureau during last year about four thousand persons. The cost of collecting the taxes for that year was \$5,063,330. As they are collected in all the States and Territories of the Union, the political influence of these thousands of agents may be exerted in every election district in the country. If the time has come when we can rely upon customs duties, the traditional dependence of the National Government, we should abolish this source of expenditure and patronage. Why maintain two sets of officers and duplicate the cost of collecting our revenue if it be not absolutely necessary? These are consequences involved in the continuance of the internal tax system beyond the exigency which compelled a resort to it. To relieve the Government from the annual expenditure of \$5,000,000 in personal patronage, to remove four thousand people from its service and remand them to private pursuits, would certainly be a long stride in the direction of civil service reform.

These figures fail to represent the cost of this surplus system of taxation. The present law has, it is true, given rise to no organized military resistance like that which appeared in Shay's or the Whisky Rebellion; but it would be a grave mistake to assume that it has been peaceably enforced. In his report for 1880 Commissioner Raum says:

It will be seen that during the last four years and four months, 4,061 illicit distilleries have been seized, 7,339 persons have been arrested for illicit distilling, 26 officers and employes have been killed and 57 wounded in the enforcement of the internal revenue laws.

The litigation they have engendered has clogged the wheels of justice in the United States courts in every judicial district; and

to approximate the real cost of the collection of these taxes would require us to know how many days of each session of the district and circuit courts of the United States have been devoted to revenue cases; how much the ordinary business of the courts has been interfered with and delayed by this jurisdiction; how many parties and witnesses have been required to be in attendance on such cases; how far they traveled to reach the distant court house; for how many days or weeks they were required to neglect their business, and what sum it cost each party, juror, and witness to give such attendance upon the court. Each successive report of the Commissioner contains among other schedules an abstract of the reports of District Attorneys. From the abstract embodied in the report for 1880, I find that the whole number of suits pending July 1, 1879, was 9,476; the whole number commenced during the fiscal year 1880, 5,848; the number of suits decided in favor of the United States in 1880 was 2,621. Of these judgment and costs were paid in 1879 in but 877 cases. During the same year 415 cases were settled by compromise, 1,653 were dismissed, and 571 decided against the Government. "Here at last," said Commissioner Pratt in the passage cited from his report, "the claimant who insisted that he either owed no tax at all, or a tax less than that demanded, collects from the Government what he has compulsorily paid, but frequently at the expense of ruinous delay and sacrifice." I recur to this passage because each annual abstract of reports of District Attorneys concerning suits and prosecutions under the internal revenue law includes sums refunded for taxes illegally assessed and collected, which have amounted to over \$1,000,000 in one year. A system of taxation that involves all these consequences is certainly one not to be cherished by those who would reform our civil service.

#### THESE TAXES RESTRICT OUR TRADE.

The contest among the great nations of the world for enduring supremacy is not to be made on the ocean or the battle-field. The laws of strategy and of naval warfare must yield to the more potent influence of economic science; and that nation will maintain the leading position which by the utilization of its material resources, calls into activity every faculty and aptitude of its people; which by the widest possible diversity of its employments establishes the most perfect harmony of interests among its people; which most thoroughly unites all its parts by means of ample systems of

cheap and rapid transportation ; and which, actuated by the sublime truth enunciated by the elder Adams far back in the last century "the preservation of the means of knowledge among the lowest ranks of the people is of more importance to the public than all the property of all the rich men in the country," secures the fairest distribution of each year's production among all its people. The generous home market of the nation that pursues these ends will defend it against the vicissitudes of foreign trade, and insure ample returns to capital embarked in production and distribution.

The great military and naval powers do not recognize these truths ; yet it was to the inventive powers of our people and to our vast system of cheap transportation that I heard Bismarck ascribe the influence we are already exercising upon the industrial and financial condition of trans-Atlantic countries.

The internal taxes will this year probably add \$150,000,000 to the cost of our total production. Unnecessarily to impose such a burden upon our productive forces is voluntarily to handicap them in favor of British competitors. If any one doubts that the price of commodities rather than their quality determines the choice of most purchasers of staple goods let him consult the published volumes of our Consular Reports and his doubts will be removed. England has long recognized this fact. Cheap production was the method by which Cobden, Bright, and their disciples taught England that she could, while holding the supreme position as manufacturer and carrier, compel the world to accept her Free-Trade theories. To this end she must, they said, admit free of duty every form of raw material, and reduce to the lowest possible standard the wages of labor.

Duties on raw materials are, like internal taxes, restraints upon production and trade. To admit free of duty every element of manufactures with which we can not supply our own wants is, therefore, our policy as well as that of England. But as to the question of wages we can not accept her policy. Our home market is our main dependence. England depends on foreign nations for half her food and for nearly all her raw materials ; and to pay for these she must export the labor of her people embodied in manufactures. To deprive her of foreign markets would be equivalent to casting a blight over our fields in seed-time. Her laborers are subjects, ours are citizens ; and to reduce these to the hopeless condition of the British laboring classes would sap the foundation of our republican institutions. To perfect our system of education, and to maintain

such rates of wages as will give to the toiling classes access to our schools and libraries, is the only policy consistent with the theories that underlie democratic government. To these ends light taxes, generous wages, and steady employment are essential. Our home market is, I repeat, our chief dependence. Immense as is our production of cereals and other food staples, we consume 90 per cent. of each year's yield; and immense as are our exports of these commodities, they include but 10 per cent. We must, therefore, legislate with reference to our own standards of life, and these are utterly inconsistent with a policy that would, by reducing the wages of labor, diminish the laborer's ability to consume home productions. Internal taxes are a direct charge upon the annual earnings of the people. Last year they added directly \$135,000,000 to the cost of our productions. This year the direct exaction will, as I have said, be \$150,000,000 if the promise of the first four months of the fiscal year shall be maintained. To remove them would be to allow the continuance of the prevailing rates of wages and profit after an appreciable reduction in the whole range of prices; for the incidental effect of these taxes upon the price of our productions is probably greater than their direct burden. They reappear in the increased price of commodities, especially at retail, and increase the sum required to support the laborer and his family.

It will be said that the taxation at the close of the war, when we were raising \$300,000,000 a year from the productive resources of the Northern States alone, may have been a burden, but that now our taxes, derived as they chiefly are from spirits and tobacco, are exactions voluntarily assumed by those who pay them. Thus it was said during the 46th Congress, by a no less intelligent student of economic questions than our lamented President, that the citizen who paid the spirit tax made a voluntary contribution to the revenues of the Government. No economic theory could be wider of the mark than this. The sick and the dying pay this tax. It draws on the resources of every dispensary or other establishment for the relief of invalid poor. The good wife in Maine or Kansas, however zealously she may desire to support the prohibitory law of the State, pays it when she prepares her camphor or arnica bottle. Ninety per cent. of the bottles and jars that adorn the shelves of a well-appointed pharmacy contain alcoholic productions. It is the chief ingredient in quantity in all tinctures, fluid extracts, and elixirs; in chloroform, collodion, and ethyl ether; and

is represented in a large percentage of the solid drugs dispensed by such an establishment.

Nor is it in medicinal preparations alone that this tax is involuntarily paid, for alcohol enters as an ingredient or productive agent into an infinite number of essential commodities. My dear old friend and teacher, Henry C. Carey, regarded the amount of iron consumed *per capita* as a fair test of the scale of civilization prevailing among a people. He thought that the consumption of crude sulphur, could it be ascertained, might be accepted as a yet more accurate test; and I do not hesitate to assert that the amount of alcohol consumed otherwise than as a beverage may be regarded as a test of a people's progress in the application of science to industry. Addressing practical manufacturers it were idle to attempt to specify the infinite number of uses to which alcohol is applied, or how largely the tax of \$1.70 per gallon increases the cost of articles into the production of which consumers do not suspect that it enters as agent or ingredient.

An illustration or two in passing may not be out of place. When the war created a necessity for internal taxes, American perfumery was finding acceptance in the markets of the world. It was not only displacing the perfumery of other countries in South America, Mexico, and the West Indies, but was finding a market beyond the Atlantic in all countries from which it was not excluded by high duties or absolute prohibition. We then imported all our essential oils. The imposition of the spirit tax, and of war duties upon spices and essential oils, closed our leading manufactories and put an end to our export of perfumery and cosmetics. The restoration of this industry is now specially desirable. Ours is the land of fruits and flowers. Blossom and fruition are not marked by seasons in California; they are perpetual; yet the orange groves of Florida enjoy a wider fame than those of California. Nor are these the only States in which flower farms will be sources of great profit when the production of essential oils shall be demanded by our restored ascendancy in the markets for cosmetics and perfumery. To this consummation the repeal of the spirit tax is a condition precedent.

One other illustration and I pass to other topics. This not only shows the effect of the tax on alcohol when not counterbalanced by an adequate Protective duty; it yet further emphasizes the impolicy of imposing duties on raw materials which we do not produce. In 1879 we were producing about one-fifth of the world's supply of quinine; and the American brands were equaled in purity

by those of but two foreign houses. Now our production is small and fitful, and is restricted to firms whose large capital enables them to carry stocks of this costly drug and the rare bark from which it is produced long enough to take advantage of fluctuations in the world's markets. To what influences must this disastrous result be ascribed? In brief to these: the imposition of the spirit tax upon alcohol consumed in the arts, and of a duty on raw material; and the repeal of the Protective duty on the manufactured article, by which these burdens were slightly more than counterbalanced. The price of quinine may have been reduced by the repeal of this duty, but who will guarantee the purity of the imported article as the American manufacturers guaranteed that which bore their respective brands?

Apart from economic considerations two classes of thinkers offer definite views on the spirit tax; one would repeal the tax because it would not have the Government derive any part of its revenue from an article so liable to abuse. In support of their opinions this class may point with telling effect to the situation of the British Government. In the course of an article on Taxation of the Liquor Traffic in the *Princeton Review* for September, 1878, that eminent moralist, Judge Robert C. Pitman, of Massachusetts, said:

The liquor traffic itself presents in England an appalling bribe against any effective legislation for its diminution. The returns of revenue for the United Kingdom for the year 1877 show that the traffic contributed £7,478,156 from the customs, and £25,969,126 from the excise; making a total of £33,447,282, or over \$160,000,000, and being over a third of the whole colossal revenue of the nation. A reform that threatens this must stir the very depths of the human heart and lay hold on the heights of religious motives, and then call for heroic effort. Not only the reformers, but intelligent journalists and students of public affairs, have come to recognize the gravity of the alliance between the Publicans and the Chancellor of the Exchequer.

Surely every philanthropist will pray that the day may never come when our Government may be thus enslaved by the liquor traffic.

The other class to which I refer would maintain these taxes; and would increase them in the belief that by their imposition the use of alcoholic stimulants may be abated. Judge Pitman did not ignore this aspect of his question, and in concluding his essay said:

We are compelled to the conclusion, that the taxation of the liquor traffic offers no effective regulation of it; that if held out as a measure of reform it is

delusive, and stands in the way of better legislation; and that in itself it has the double vice of being opposed to the better moral instincts, and of being operative as a bribe to pervert the public conscience.

In this connection I content myself with remarking that I find in the Constitution no clause which gives Congress authority to enact sumptuary laws. But if the Constitution did impart such power, and if it be expedient to prohibit the growing of tobacco and the distillation of grain or molasses, this should be done in express terms by direct legislation. If the power was withheld, Congress should not be asked in the name of morals or religion to do by indirection what it has no power to do directly. In the imposition of taxes, duties, imposts, and excise, the objects to be considered are defined by the terms of the Constitution; they are "to pay the debts," and to "provide for the common defense and general welfare of the United States." The fact that the internal taxes now collected are no longer needed for these purposes should impel statesmen who accept the Constitution as their guide to labor for repeal.

Again, I ask that these taxes shall be repealed at the earliest practicable day because they are the sole restraint upon the freedom of trade between American citizens. But for the restrictions they impose, trade within our territorial limits, and among our more than 50,000,000 people, would be free as air. The controlling idea of Madison and his associates in the Constitutional Convention, subsequently adopted by the German people under the title of the *Zollverein*, made possible the union of many discordant States in one grand Empire. Mr. Madison's idea embraced the erection of a uniform system of impost duties, and the establishment of absolutely Free Trade within the States in all the commodities which the people of each might produce, combined with like absolute Free Trade among ourselves in foreign goods regularly received through a customs district. The British people have never conceived such freedom of trade as we enjoyed before the war; and when relieved of these taxes, and the arbitrary regulations with which their collection vexes those upon whom they are assessed, the freedom of our vast domestic trade will be an instructive example to the world.

#### INTERNAL TAXES FOSTER MONOPOLIES.

Very few of us know how invidious these taxes are, or appreciate the influence they have had in creating monopolies. Let us

take matches as an illustration. Prior to the assessment of a tax on this article the establishment of a match factory required but little capital. Indeed the business was so accessible that small factories were found in many parts of the country. These small factories have all disappeared. The tax laws extinguished them, concentrated the production of this trivial article, (the retail price of which should be the one-hundredth part of a cent, but from the tax on which we derived last year over \$3,500,000,) and put the whole trade in the hands of a syndicate or copartnership. Stamps must be applied to the boxes before the article can be put on the market. The price of the stamp is more than the cost of the matches, the box, the labor of boxing them, and the packing of them in bulk for shipment. The provision of law which requires a stamp to be affixed to each box before it leaves the factory is not arbitrary; it is necessary to secure the payment of the tax. It has however, been productive of gravest consequences by ingeniously imposing burdens on poverty and bestowing favors on capital. It does this under the pretext of relieving agents of the Treasury from the annoyance attendant upon the sale of stamps in petty quantities. Under its terms he who can not purchase more than fifty dollars' worth of stamps at a single purchase must pay their full face value in cash; but he who can buy more than fifty dollars' worth may, by giving an acceptable bond for ultimate payment, have sixty days' credit, and a discount of 5 per cent.; while he who can purchase more than five hundred dollars' worth may have a like credit and 10 per cent. discount. The repeal of the match tax will abolish this unjust discrimination, and, by permitting enterprise to compete with capital, will reduce the price of matches more than 50 per cent.

Again, let us look at cigar makers as a class. As shown by the recent census they numbered more than 65,000, many of them invalids, cripples, and widows who, before the imposition of internal taxes, found remunerative employment in the manufacture of cigars. Their hands were their implements. The trade required no outlay of money for tools, and he or she who could skillfully manipulate the filling and wrapper had an assured income. Those whose humble homes included a front room could expose cigars for sale. Employment from larger establishments was also open to them, and many of them paid for their materials by their wages account. Deserving of our sympathy as are the classes of people to which I allude, they are excluded from such independent employ-



ment by the internal revenue laws. Many of these people were not only poor, but illiterate. Many were foreigners too ignorant of our language to comprehend legal technicalities, however well expressed. That unconscious violation of law or regulation should frequently occur was inevitable, and many an honest person has paid a ruinous penalty for the infraction of provision of law or ruling thereon of which the victim had never heard.

Let me call your attention to this pamphlet issued by the Commissioner of Internal Revenue, and entitled, "A Tax Manual for Cigar Manufacturers, containing the portion of the New Compilation of Internal Revenue Laws now in force relative to the Manufacture, Removal, Sale, etc., of Cigars, and including Regulations, Instructions, Rulings, and Decisions of the Commissioner of Internal Revenue on the subject." The text of statutes now in force covers more than nine closely printed pages; and regulations, decisions, etc., fill twenty-three. To comprehend all the provisions and regulations embodied in this pamphlet would cost an experienced lawyer much careful study. Its sections and paragraphs are numerous, and many of them convey their meaning by reference to other sections or paragraphs. For instance, on page 30 appears the following:

Any manufacturer selling his cigars, or removing them from the place where they were made, without complying with the requirements stated in Nos. 9, 10, 12, and 13, subjects such cigars to forfeiture, and incurs liability to fine and imprisonment.

Each poor man or woman before engaging in the manufacture of cigars must seek the Collector of the District, who may reside hundreds of miles from his or her home, must pay a special tax as cigar manufacturer, must give special bond as cigar manufacturer, and must purchase adequate stamps for boxes before cigars may be put into them for sale. He must, however illiterate or ignorant of our language, make entries of the manufacture of cigars or their sale. He must also keep an account by separate entry of each purchase or sale of leaf tobacco, tobacco stems, or other material used in the manufacture of cigars. But let me read you the paragraph to the requirements of which I am referring:

A manufacturer of cigars renders himself liable, in addition to the forfeitures and penalties *elsewhere prescribed*, in case he commits either of the following offenses, to wit:

A. If he shall remove or sell any cigars without payment of the special tax as a cigar manufacturer;

- B. Or without having given bond as a cigar manufacturer ;
- C. Or without the proper stamps, denoting the tax, affixed thereto ;
- D. Or if he shall make false or fraudulent entries of the manufacture or sale of any cigars ;
- E. Or if he shall make false or fraudulent entries of the purchase or sale of leaf tobacco, tobacco stems, or other material used in the manufacture of cigars ;
- F. Or if he shall affix any false, forged, spurious, fraudulent, or counterfeit stamp, or imitation of any stamp required by law, to any box containing any cigars—to forfeit to the United States all raw material and manufactured or partly manufactured tobacco and cigars, and all machinery, tools, implements, apparatus, fixtures, boxes, barrels, and all other materials which shall be found in the possession of such person or in his manufactory, and used in his business as such manufacturer, together with his estate or interest in the building or factory, and the lot or tract of ground on which such building or factory is located, and all appurtenances thereunto belonging.

Such are the gentle penalties imposed upon the humble people I have attempted to describe, for violating or seeming to violate any of the complex regulations referred to.

Who, in view of such a body of minute and complex regulations, and of such inordinate penalties, will doubt that all the small manufacturers of cigars have been forced to abandon the only employment in which they were skilled, or to accept such wages as their more wealthy brethren may be willing to pay? These regulations and penalties were not adopted wantonly. They are essential to the collection of the revenue and protection of the rights of those who conscientiously pay the taxes they incur. Writing to Madison in 1794 Jefferson said, "the excise law is an infernal one." His indignation was probably stirred by the contemplation of inevitable hardships such as I have brought to your notice. Now, when we do not need the revenue derived from this source, these taxes upon manual labor should be promptly removed by the repeal of the tax which called them into existence and is the sole excuse for their maintenance. Republican legislation should by all just and constitutional means prevent the creation of monopolies ; it certainly should not resort to a system of useless taxation as a means of promoting such as now prevail in the manufacture of matches and cigars.

#### OUR DUTY TO THE SOUTH.

In conclusion let me appeal to you to urge the earliest possible repeal of these taxes as an act of justice savoring of magnanimity to the South. Their enforcement is a constantly-recurring reminder of

events of which, in the interest of our common country, we should all be glad to obliterate every painful memorial. The war did not close until the Southern people had parted with every species of property but their fenceless fields and dilapidated buildings. A less heroic people looking to the necessities of the future would have demanded of its leaders an earlier surrender; or finding themselves so helplessly impoverished, so wanting in the means for reorganizing the few industries with which they were familiar, would have abandoned themselves to sullen despair. Their entire labor system had been overthrown; their farms were fenceless; they were without agricultural implements, or working or reproductive stock; they had no continuous system of transportation connecting the interior of their States with the seaboard or with the capital or the leading cities of the Confederacy. The hopelessness of their condition can not be exaggerated; yet they did not despair. Having believed supremely in the cause for which they had made such sacrifices, they could not recognize their conquerors as friends, and appeal to them for sympathy or aid. They had not honored labor, but committed it to slaves, and had even confided their few commercial operations to factors and agents. It took centuries to bring conciliation and common prosperity to the contending factions of Britain, between whom there were no distinctions of race, and it would have taken many generations to reconcile the South had her people not accepted the hard conditions their rashness had involved, and determined to conquer them by their own energy. It is not seventeen years since the war closed, yet the impoverished people of the South, having prepared an exhibition of the resources of their country which shall illustrate Southern energy, enterprise, and industry, invite the world to Atlanta to mark the marvelous results they have achieved. Observation will approve the courage which challenges it. The city in which the exhibition is held is itself a wonder. Demolished by the war, it has risen and grown as if by magic. It is a great railroad centre, and the commercial relations of its people are restricted to no country, but are as truly international as those of Chicago or New York. Lines of railroad connecting the entire South are in operation or in process of construction. The Southern people are not only engaging in familiar industries, but are creating new ones. Cotton oil and oil cake are novel items in our list of exports; and the Gulf States, while producing jute which has been pronounced by English and Scotch experts equal to the best Indian jute, promise

to add ramie for the further diversification of the productions of the spindle and loom.

It was the boast of the South that she was purely agricultural, and she enthroned as king her leading staple. Yet her agricultural methods have been revolutionized. A wide diversification of crops is seen where the ante-war traveler saw only cotton, corn, or great stretches of exhausted land waiting in fallow Nature's slow and imperfect recuperation. Fertilizers and improved implements have invigorated the arm of labor. In a recent issue of his paper the editor of the *Atlanta Constitution* said:

It is easy, with the aid of fertilizers, to so force the plant that it will flower, boll, and mature in the proper season, and produce its crop. So great is the advance made in the manufacture of fertilizers that the intelligent farmer can feed to the soil the exact elements that it lacks, just as a physician will doctor a sick person. Already the use of fertilizers has added vastly to the cotton area, pushing the acreage North and West.

As a Southern man unwilling to see textile factories established in this country, John Randolph said he never saw a sheep without wishing to kick it; but now sheep husbandry is pursued in Texas and other Southern States as a passion, and on a scale unknown to the people of any Northern State. The water-power which flows through cotton fields is creating prosperous manufacturing villages, and yarn and fabrics embodying Southern labor constitute an important element in our domestic and international trade.

But not to the manufacture of fibers alone has Southern enterprise and energy been directed. The extent and variety of her mineral resources can hardly be exaggerated; these are being explored and, as rapidly as capital can be obtained, they are giving work and wages to freed slave and poor white in the construction and operation of industrial establishments. The new South has her zinc factories, her copper works, her kaolin pits and porcelain factories. To name Lynchburg, Chattanooga, and Birmingham is to suggest her progress in the conversion of her fuel, limestone, and ore into iron and steel.

The diversified industries of the South, however, are in their infancy. The capital they create is each year applied to their extension, but more than can be thus produced is required for their rapid development. They need the fostering care of the Government, and in no way can this be bestowed more acceptably than by the immediate repeal of our internal taxes. Most of the

Southern States are heavily burdened with debt. Should the Government, in view of our overflowing treasury, remit to these States all the ordinary sources of taxation, it would inspire their people with a new measure of confidence in the North, and with faith in their own ability to pay their outstanding obligations. The fact that they need what revenue may be justly derived from these sources, and that the nation does not need what it collects, is frequently referred to by Southern representatives in justification of the prevalent belief that these unnecessary taxes, imposed for conquest, are retained in a spirit of vindictiveness.

I have hastily invited your attention to the destructive effect of the match tax upon manufacturers whose capital was small; to the fact that the tax on cigars is a heavy direct burden on manual labor, and to the many harsh and intricate regulations by which manufacturers of cigars on a small scale are harassed. These have given rise to many just protests. But the taxes on spirits and tobacco have been even more harsh and aggravating in their effect on the holders of small tracts of land in many parts of the South. As many Pennsylvania farmers prior to 1861 distilled each year a few barrels of pure whisky to sell after it should have attained a given age; so Southern owners of small orchards, or of a few fruit trees around the dwelling-house, were in the habit of distilling their fruit. It was to the sale of their peach brandy or apple whisky that many of them looked for the cash with which to pay taxes and doctors' bills, and to procure an occasional article for the comfort or adornment of their homes. Others not fortunate enough to own an orchard, distilled part of their corn, and thus secured their small annual supply of money. The spirit tax effectually deprived these classes of their habitual dependence for ready money. The entire crop of many of these people was not sufficient to justify a compliance with the law; and many an honest man has been driven to the painful alternative of seeing his crop of fruit rot upon the ground, or of engaging with his neighbors in a treaty offensive and defensive against all persons engaged in the collection of the spirit tax.

The case of the owner of a small piece of ground devoted to tobacco growing is scarcely less painful, and must invest the "moonshiner" with his sympathy. Under the provisions of the law he may not sell an ounce of his crop to his neighbor, nor to any citizen who is not a licensed dealer in leaf tobacco. There are many thousands of these people for whose small crop there would be a ready

market in the neighborhood, whose entire production is too small to pay for its transportation to a distant centre of trade, or even to invite visits from traveling purchasing agents. These poor men must therefore barter their crop at the neighboring store at such prices as the single customer will offer, and for such goods as he is prepared to give in exchange.

I may not extend these illustrations, but in conclusion would repeat that justice to the South requires the earliest possible repeal of the entire system of internal taxes; and I aver that the abolition of these taxes would do more to harmonize the country than any single act of legislation that statesmanship can suggest. I trust it may be done and done quickly.

The Chairman then announced that Mr. William A. Gellatly, of New York, would address the Convention. Mr. Gellatly made the following remarks.

#### ADDRESS BY MR. WILLIAM A. GELLATLY.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: When I saw it announced that on the subject of the "Reduction of Internal Taxes" speeches would be made by Hon. William D. Kelley and William A. Gellatly I was very much disturbed. The idea of this Convention listening for an hour and a half to such a masterly effort as I felt sure my distinguished friend would make, on a subject which he has made I may say the study of a lifetime, and then having any patience to listen to such crude remarks as I might be able to suggest, appeared to me to be, to say the least of it, rather unreasonable, if not absurd. As, however, I understand this Convention comprises as delegates not only gentlemen who have made the subjects to be discussed a matter of deep study in the abstract, but also those who have arrived at the conclusions which they now hold on these questions by perhaps the more costly method of personal experience in their business, I will crave your indulgence while I endeavor very imperfectly to say a few words on the subject of the "Reduction of Internal Taxes," confining myself to the subject as it has been brought to my notice in my own business. I will proceed to give you a few reasons that occur to me as arguments in favor of the "Reduction of Internal Taxes," looking at the subject from my standpoint as a dealer in drugs and manufacturer of pharmaceutical preparations.

I find that Judge Kelley has so carefully covered the ground for discussion, with reference to the tax on spirits as affecting the business I represent, that I can add nothing to what he has said, but will call your attention to some reasons, which appear to me to have force, why the requirements of the internal revenue laws as regards stamps should be immediately repealed.

In the first place the stamp tax is a special one, a war measure imposed eighteen years ago when the Government was in urgent need of revenue and was obliged to get it from all sources; the necessity for its imposition has long since passed away, and it is the duty as it has been the policy of the Government to remove all such special taxes when the necessity which caused them has ceased to exist.

The stamp act is a discriminative one, a direct and excessive levy on the druggist, while the jeweler, the grocer, and the dealer in hardware or dry goods goes free. Usage had previous to the imposition of this tax fixed the retail price of many proprietary medicines, and when the tax was imposed many manufacturers advanced their wholesale prices with no corresponding increase in the retail price, so that there is practically a discrimination against the druggist in this case. In the case of friction matches I believe that the entire burden of the tax falls on the consumer. I know that in discussing this question it has been usual to argue against the tax as being mainly a tax on the *consumer*. I think, however, that the case referred to shows that the merchant and not the consumer pays the tax, and there can be no objection to realizing the fact that there is another class besides the consumer that is also entitled to some protection. I refer to the *mercantile* class which has done so much to advance the prosperity of the country by extending its commerce at home and abroad.

The stamp tax is an exceedingly vexatious and annoying one, not thoroughly understood by Government officials, differently interpreted and unevenly enforced throughout the country; the penalty of \$50 for each failure to stamp is excessive—in a gross of an article selling for \$1 a piece the penalty for failure to stamp would amount to \$7,200.

The stamp tax is frequently a cumulative tax. In the case of bay rum, which is imported and pays a heavy duty, it has been decided by the Department, (and this is one of the many instances by the way in which decisions of the Treasury Department have been taken as law, when in fact they are merely the opinions of the heads of the Department as to what the law is,)—I say it has been decided

by the Internal Revenue Department that the original package in which bay rum is imported (casks of about 120 gallons) must be stamped on *the basis of the retail price at which the article is sold*, and if a barrel is drawn from the cask the barrel must be stamped on the same basis; if a half-barrel is drawn from the barrel it must also be stamped, and if a keg is drawn from the half-barrel the same rule applies, and if a demijohn is drawn from the keg it must also be stamped, and if the contents of the demijohn are filled into bottles each bottle must be stamped.

Imported perfumery, after paying a heavy duty, is also subject to the stamp tax; in this case the cost of the stamp is not the only loss the dealer is subjected to, as the necessity of destroying the original form of the package in which the article is put up by the foreign manufacturer, and which is very largely the only guarantee the consumer has of the genuineness of the article, impairs very much the market value of the goods. As an illustration of the onerous nature of the tax, take the case of Lubin's extract, a favorite perfume, composed of alcohol and scented oils. These goods at the present time pay a duty of \$3 a gallon on the alcohol of which they are composed and 50 per cent. *ad valorem*, the \$3 per gallon being the equivalent of the internal revenue tax on alcohol when the law was passed, (it is now about \$1.80,) and the 50 per cent. *ad valorem* the amount of Protection accorded the American manufacturers of similar articles.

The law is full of subtle intricacies, through the misunderstanding of which many honest dealers have suffered severely, and a large proportion of the druggists in the country have had to pay a penalty because they or the revenue officer blundered in its interpretation. It is often a question what the law intends to demand or prohibit, and thus it is in the power of a revenue officer or collector to seriously embarrass or annoy the druggist who fails to interpret it as he does.

The stamp tax has been almost as annoying to the Government as to the druggists, yielding small returns yet requiring a large force and complicated rules and other machinery to collect it. The total amount realized by the Government for stamp taxes of all kinds during the fiscal year 1880 was \$7,678,394.22, of which amount there was realized from stamps on medicines, perfumery, cosmetics, etc., \$1,836,673.22.

As far back as 1874 the repeal of the entire stamp tax was recommended by Commissioner Douglass, who did most to define and enforce it, and he then suggested that an additional tax of 10 cents per gallon on all spirits would yield nearly the same revenue, and



do away at once with the complicated machinery necessary to enforce this most burdensome tax.

The manufacturers of proprietary medicines, notwithstanding the fact that many persons are disposed to think their business is all profit, (an opinion the falsity of which can be very easily demonstrated,) have the same right to Protection as any other manufacturer has, or a druggist has to protest against anything like a double tax on his business; when the proprietary medicine manufacturer has paid a duty on the imported articles used in his manufactures, and a heavy tax on alcohol required in compounding them, the addition of the stamp tax is very burdensome.

In conclusion, I will say that I think the subject which we have been considering this evening, the "Reduction of Internal Taxes," will prove to be one of the most popular among the people at large, of all political parties, of the various subjects named for the consideration of this Convention, and I trust the committee on resolutions will report a resolution on the subject which shall have no uncertain sound.

The Chairman then announced that Hon. William Ward, of Pennsylvania, would address the Convention. Mr. Ward's remarks were as follows:

#### ADDRESS BY HON. WILLIAM WARD.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: I have no speech to make at this late hour of the evening, and I certainly would not attempt to make one in the wake of such an eloquent argument as the Convention has just listened to; but I suppose I am brought here as it were to pronounce the doxology.

A DELEGATE.—You mean the benediction.

MR. WARD.—I may say that the congregation has been earnest and well behaved, and the performance satisfactory. If I had known before my arrival here that I was expected to address this Convention I should have endeavored, as a matter of credit to myself and of respect to this body, to have prepared some remarks appropriate to the occasion; but I can not resist the invitation of the committee to say a word on the subject of American commerce, and I congratulate this Convention for the earnestness displayed in this matter, and for the intelligence that has characterized its session. I congratulate it because it has met in this metropolis of our

country, where the plant of Free Trade has its germ and its largest growth. I congratulate it because with all political conditions leveled, with all sectional diversities obliterated, this Convention meets here under a broad canopy of patriotism that recognizes under its ample folds no North, no South, no East, and no West. The day has gone by when it is necessary to discuss the abstract principles of Protection to American industry, and I venture to say that if a new Declaration of Independence were to be enunciated at this time it would contain other truths that should be deemed self-evident besides those that all men are created equal, and would announce as an axiom that one of the first duties of a government is to protect the labor upon which that government depends for its safety and its strength.

I have been asked to speak particularly on the subject of the increase and development of American commerce. That is a kindred subject to Protection to American industry. They stand hand in hand. Why should America pay to foreign nations the cost of transporting its raw material and the product of its manufactures? Take my word for it that if the same Protection were given by the Government to American shipping interests that is wisely and fairly extended to its manufactures it would not be long before American ingenuity, American intelligence, and American skill would be selling ships to Great Britain, just as Americans are now sending their cutlery into Sheffield and their print cloths into Manchester. I was particularly struck with the reading to-day of the letter from the Secretary of State, whose statesmanship is as broad as his intellect is deep—I mean James G. Blaine. There is no man in this country who better understands, or who has worked more urgently, or with better directed industry, than he, of all the noble army of the friends of Protection, to rebuild the crippled and staggering interest of American shipbuilding. He knows, as I do, the last effort made in that direction. He stood, as I did, in the shipyard at Chester when two vessels constructed for the Brazilian trade, for plying between this city and Rio Janeiro, were launched from the ways into the waters of the Delaware. He saw there the minister plenipotentiary representing Dom Pedro of Brazil extending the hand of welcome to the advent of American ships into that foreign clime. He knew that the Brazilian Government extended a helping hand to the American shipbuilder, and only asked for a response on our part to establish commercial relations based upon a line of steamships American-built, sailing under an American registry, and

bearing the American flag, which would have been a permanent institution, and would have secured communication with that great empire of South America for the forty millions of dollars of commerce that passes between us and it; and in sorrow, and I will venture to say in shame, our great Secretary of State has witnessed, as I have witnessed, that proffered offer of good will rejected by the American Congress, and the line so established destroyed by competition from foreign powers. To-day the commerce between this country and South America is carried by the roundabout way of England, in British ships, and our own that we built have been driven from the route for which they were intended into other waters.

It is a melancholy spectacle to see the failure of the last effort that has been made to revive American commerce. I think the United States is large enough, rich enough, and intelligent enough to take care of itself in the shipping interest as well as in all others; and I shall hail with joy the day when an enlightened patriotism teaches American legislators that their duty is to provide the means of transportation in American bottoms for the products of their soil and their manufactures to foreign ports, and when that same enlightened patriotism shall teach us that not only as a commercial marine is this interest worthy of support, but as the foundation for recruiting and reviving our desolate and disconsolate navy, that has now become the by-word and reproach of every fifth-class power in the world. I hope to see the day when American ships will not only carry American exports, and bring return cargoes, but will educate a class of trained seamen who will be educated under the American flag, and will owe allegiance to our nation, so that if, hereafter, the time will come when war spreads its desolating influence over the sea Americans will be certain that our own country will have none but purely loyal and true Americans on deck where they will be needed. Not only in point of commerce, but in point of naval revival is this interest important.

And now I do not want to detain you longer. I am glad to see this union of interests for the cause of American Protection; and I am glad to see here so many able and influential advocates of Protection who want to make this policy a success, and put it on a permanent basis. Let us come together, and reason together. We may have differences on details; as wise men, let us reason together and adjust them. Let us confer together. Let us yield something, if it is necessary, to the details of the grand and vital

principle of Protection to American industry—not for the sake of revenue, but for the sake of Protection. There should be no surrender. Stand by that at all times, and forever; and with a strong pull, and a long pull, and a pull altogether, you will make the voice of a convention like this so potent that the lawmakers of the land will be bound to heed it, and to give attention to its recommendations.

At the conclusion of Mr. Ward's address the Convention adjourned until Wednesday morning at 10 o'clock.

#### WEDNESDAY MORNING SESSION.

The Convention was called to order at 10 o'clock by General Lilly, who introduced Mr. John Thompson, of New York City. Mr. Thompson spoke as follows:

#### ADDRESS BY MR. JOHN THOMPSON.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: Under the influence of a Protective tariff this country has prospered beyond parallel and grown beyond precedent; why then experiment with Free Trade? In two or three years, in all probability, the balance on foreign trade will be against us. This balance will be moderate under the influence of a Protective scale of import duties to what it would be under the free importation of merchandise. In any event trouble is in the future, for our people are too much addicted to buying in foreign markets. It is, then, the part of duty to so shape our trade relations with the outside world, and our domestic measures, both commercial and financial, so as to obviate, if possible, or at least ameliorate the distress that revulsions are sure to inflict. It undoubtedly is the part of wisdom to *protect* not only our enterprises but the muscle and brain so interwoven with them.

Free Trade would bankrupt thousands of establishments, and throw millions of dependent, deserving operatives out of employment. This would bring with it a panic, a destruction of credits, in short a revulsion, which, like the revulsion of '73, would carry depression and despair everywhere. Who but a political parricide would venture on measures so obviously dangerous? The good results of Protection are measured by our prosperity. The bad results of Free Trade may possibly be measured by bringing the product of European and Asiatic labor in competition with Ameri-

can labor. In relation to the details of tariff Protection I am not an expert, and beg to continue my remarks on financial and currency measures. These are so allied to Protection in contributing to prosperity that it seems natural to diverge in this direction.

Before the State bank currency was superseded by the issue of greenbacks and national bank notes the people were afflicted with broken bank notes and depreciated currency, stump-tail, wild-cat, etc., to an extent hardly conceivable. This affliction disappeared when the Federal Government took from the States, through taxation, the power to issue a circulating medium or to authorize its issue by State banks. Now, for almost twenty years every circulating note has been good for its face in every locality, every nook and corner of the country.

When the time came to put our currency and our debits and credits on a specie basis it was discovered that silver had been demonetized, and that one-half of the precious metals from our mines was nothing more than merchandise. A little silver could be worked into subsidiary coin, which was made a legal tender for five dollars only. It was soon demonstrated that silver demonetization, combined with specie payments, would double the value of the gold, and also double the burden of the debtor. It required an effort to set the people right on this measure. The advocates of silver in this great importing city were but very few, and were unmercifully denounced as repudiators and swindlers. Our venerable friend and co-laborer, Thurlow Weed, was the boldest advocate for remonetizing silver, and was the recipient of the lion's share of abuse. Thank God, he is with us and able to say, "*I still live.*" It is in order here to prove that silver, and paper currency based on silver, are popular with the people. In two years standard dollars have been coined as follows :

TREASURY OF THE UNITED STATES, WASHINGTON, D. C., Nov. 10, 1881.

SIR : In reply to yours, without date, I beg to say that the coinage of standard silver dollars at the various mints of the United States up to the 1st instant was as follows :

Mint U. S. Carson, Nev.....	\$3,706,000
" " Philadelphia, Pa.....	45,081,705
" " New Orleans, La.....	13,041,000
" " San Francisco, Cal.....	38,844,000
Total .....	\$100,672,705

Very Respectfully, JAS. GILFILLAN, Treasurer U. S.

J. THOMPSON, Esq., Care Chase National Bank, New York, N. Y.

By the United States Treasury exhibit of assets and liabilities of November 1st (the same date as the dollar coinage exhibit) it is shown that \$66,576,378 in these dollars are on deposit in the Treasury, but there are outstanding against such deposit \$66,327,670 of silver certificates, the Government owning only \$248,708, and this is scattered in seventeen depositories. On the same day, observe, the following circular was issued :

CIRCULAR.—Suspending exchange of Silver Certificates for Gold Coin or Bullion. 1881. Department No. 108, Secretary's Office.

TREASURY DEPARTMENT, SECRETARY'S OFFICE, }  
WASHINGTON, D. C., Nov. 1, 1881. }

Until further notice the exchange of silver certificates for gold coin deposited at the office of the U. S. Assistant Treasurer at New York will be suspended, and Department's Circular, No. 75, of September 18, 1880, is hereby modified accordingly.

H. F. FRENCH, *Acting Secretary.*

I need not adduce more facts to prove that silver certificates are preferred to gold coin, although the present issues are not of suitable denominations, nor are they properly executed for a circulating medium. The act authorizing the standard-dollar coinage, passed February 28, 1878, by more than a two-thirds vote over the President's veto, orders the coinage of two millions per month, and it permits the coinage of four millions per month. The Treasury Department has coined only the minimum amount. Why? is a question which the people will ask ere long.

This same coinage act authorized the President to "invite the governments of Europe to join the United States in a conference to adopt a common ratio between gold and silver." The invitation was promptly given. After much delay the conference was held in Paris. The influence of England and Germany, the two nations most anxious to make us Free Traders, rendered our efforts nugatory. And now I beg further to suggest an American measure of far-reaching import :

*First.*—Remove all restrictions on silver coinage ; make standard dollars not only for the United States but for every silver-using nation. This will attract the trade and travel of all silver-using people, and they are seven-eighths of the population of the earth.

*Second.*—Issue silver certificates against bullion as well as against coin. The raw material, the product of the Rocky mountains, is ample on which to base the "currency of the future." Panic will never strike nor undermine such a currency.

The better class of emigrants will always take into consideration the currency of the country to which they propose to go. Let us then have a paper currency based on a precious metal for domestic use, and an American coin currency for the outside world. Let England and Germany take our gold, as surely they will when they have the power to do so. The sooner silver and silver certificates constitute the major part of our money the farther off will be panic and revulsion.

To many of you this discussion may appear to be foreign to the business of this Convention. I claim that our industries are interwoven with our money. The pay-roll is to the laborer an indispensable sequence. Besides, the silver interest of this country claims and deserves Protection.

I beg to make another currency suggestion. There is a great want of elasticity in our money or currency arrangement. The remedy is simple—let the people have the privilege of taking greenbacks from the Treasury in exchange for interest-bearing bonds, the bonds to be given back on the return of the greenbacks, the Treasury saving interest while the currency is out. This measure would surely ward off panic, and it would also effectually bar the stock and grain gamblers from locking up money. For this purpose a 3 per cent. bond would bear a proper rate of interest, so that currency would flow out when much needed and return when not required for legitimate business.

#### THE REVISION OF THE TARIFF BY A COMMISSION.

The Chairman stated that the third topic for discussion would now be taken up, namely, the necessity for the revision of the tariff by a commission, and that Mr. Joseph Wharton, of Philadelphia, would make the first speech on this subject. Mr. Wharton then delivered the following address, which he preceded with a few introductory remarks. (He said that the efforts of Protectionists last winter to have a Tariff Commission appointed were not successful. Everybody seemed favorable to it, and yet there was a mysterious obstacle that hindered and delayed and finally killed the measure. There are several motives for the opposition. One of the most important is the intention of our enemies to make a dash at some industry as they did in 1879 at the quinine industry. The establishment of a Tariff Commission, to do its work in a thoroughgoing, business way, would prevent the success of any such scheme.

Another reason is that under our present tariff laws many persons in the importing interest are making a great deal of money through protests against the payment of duties and their generally successful suits to recover an alleged excess. The condition of our tariff satisfies such people exactly, and they do not want it changed.)

#### ADDRESS BY MR. JOSEPH WHARTON.

GENTLEMEN OF THE CONVENTION: In addressing you upon the expediency of basing our tariff legislation upon the report of a commission appointed for the purpose of investigating the mutual needs and interdependence of all the industries, I must glance first at the general subject of import duties upon foreign goods.

It will not be denied that if a nation has a right to its separate existence it has the right to fortify and insure that existence by all appropriate means. No one questions the right of a nation to defend its frontiers by means of forts and war ships, or to repel intruding foreign forces by means of armies, those costly and cruel methods being the time-honored modes of insuring to its citizens the peaceful enjoyment of their homes and the undisturbed prosecution of the industries whereby they live. The nation may command the property, the personal service, and the life of any citizen, or of any number of citizens, in order that the whole organism, the commonwealth, may better thrive.

But, in the ancient times, only by invasions *vi et armis* were the large vital industries of a people endangered; the great insidious trade invasions, by which a nation's internal circulation, its industrial life, the welfare of myriads of its producers, and the health of the body politic are attacked, were impossible on account of the difficulties of transportation.

The inventions of modern days which enable a nation to multiply and cheapen almost indefinitely any desirable commodity, and to carry it swiftly and cheaply to any part of the world, have vastly magnified international trade and correspondingly augmented the danger of trade attacks; corresponding increase of care must therefore be exerted in providing for trade defense.

It is principally and constantly by tariffs, to a less degree and seldom by forts, that the nation must now defend its citizens in their peaceful vocations and thus maintain its own vigor and continued existence; the abstract right of the nation to pay bounties to its industrial soldiers, taxing for that purpose the mass of its citizens, is



inherent, but is not exercised ; an import duty upon the competing products of their foreign rivals answers every purpose.

No nation elevated by so much as a single step above coarse barbarism fails to levy such import duties ; the most enlightened, advanced, and prosperous nations are exactly those whose laws are most carefully framed to promote their own industry and welfare by means of customs ; even those which, fancying themselves most secure by reason of low wages from foreign competition, had made inadequate tariff defense are now revising their laws in the sense of fuller Protection, or are suffering the evils of stagnated industry.

But for the persistent, blatant hypocrisy of Great Britain during the few decades since she decided that her own selfish interests would be best promoted by what she calls Free Trade, there would be no two opinions anywhere concerning the propriety of each nation's recruiting its treasury, defending its industry, and protecting its workmen and its capital by means of import duties upon foreign goods. Great Britain collects an import duty of three shillings and six pence per pound, or nearly seven hundred per cent., upon our tobacco, amounting to about \$50,000,000 per annum, and an import duty of ten shillings and five pence per gallon, or about one thousand per cent., upon our whisky ; yet her statesmen, parsons, and merchants, high and low, regard with sanctimonious horror our collecting about \$40,000,000 per annum, or about forty-three per cent. of their value, by import duty upon her goods of all sorts. She chooses, entirely from motives of selfish interest, as she has full right to do, to levy her import duties upon our whisky and tobacco—articles which we can produce more cheaply than she can ; we choose from similar selfish motives equally within our right to levy our import duties upon her manufactured goods which she can produce more cheaply than we can.

The two acts look similar, but the one is regarded as the acme of enlightened liberality, while the other is considered by those fine philanthropists, the English manufacturers, to be so heathenish that they send missionaries here to instruct us.

Gentlemen, my apology for devoting these moments to the selfish stupidities of England is that they once were formidable.

It is the settled will of the American people that our tariff laws shall protect our industries as well as produce revenues. We have only to deal with the choice of methods for framing such a tariff law as will accomplish that purpose most effectively and with the least friction.

The world has advanced greatly in this matter of methods since the capricious levying of arbitrary tolls at the good pleasure of baron or monarch, and the equally capricious granting of immunities to certain favorites or to certain cities—the latter practice giving to modern language the word monopoly, a privilege granted to a single city. Tariffs have long been uniform for the whole of each independent nation, and they have long been imposed ostensibly not by the will of the executive, but by act of the national legislature.

Wide differences have of course existed in the selection of objects subjected to import duties, and in the rates of such duties. Many experiments have been made in the framing of tariff laws, the methods having been improved as experience has been gathered, but practically there are now but three methods in use, viz. : -

1. The making of a commercial treaty by the executive, determining the rates of duty as between the contracting powers upon all the commodities therein named. Such a treaty purports to require the sanction of the legislature, but it usually is in fact an evasion of legislative right to treat this delicate subject.

2. The preparation of a form of law by a committee of the legislative body which is to enact it.

3. The preparation of a similar form of law by a commission of business men appointed for the purpose, and its submission to the legislature.

With the first of these methods we need not long concern ourselves. One such treaty was unfortunately made by our Government with that of the Sandwich Islands, the result of which is to enrich a few sugar dealers on the Pacific coast at the expense of our treasury.

This method is substantially a usurpation by the executive of powers belonging to the legislature ; it may be endured by the people of countries more accustomed to personal rule than we are, but it does not suit here. The main objections to it are that a tariff so made is concealed from the persons most interested, and most capable of giving wise counsel, until after the national faith is pledged ; that it can not be changed without consent of the other party until the end of its term, even though change should in some exigency be vitally important ; and that it may bring about complications with other powers claiming its advantages under the customary "most favored nation" clause.

The second of these methods is that under which we have so long blundered and struggled. Its theory is not amiss, if we can imagine

a legislature well informed upon all the complicated questions involved in the commercial life of a huge manufacturing and trading nation, but practically such legislatures do not exist, and the strangest conditions and incongruities are not only gravely discussed but sometimes become law in spite of the efforts of the better informed. Some of you may perhaps remember what a stumbling-block the word "Alkekengi" was in a tariff discussion in the House of Representatives about fifteen years ago.

The following quotation from a paper which I read in 1870 before the Social Science Association pictures the confusion attendant upon tariff-making as hitherto practiced in this country under this second method.

When the tariff question is opened in Congress, no matter whether the proposed changes are great or small, every interest which is less prosperous than it would wish to be, and which possesses the means of reaching a Congressman's ear, has the right to offer amendments to the act under consideration. Some, counting upon a suspicious and cheapening reception of their grievances, purposely exaggerate them. Some industries are so important and influential that Congressmen hoping for re-election are tempted to listen to them to the exclusion of those which are smaller or less pertinacious, and more favorably than comports with a scrupulous regard for the common welfare.

The agents of foreign industries strive to warp legislation for the gain of their employers by appeals to local, political, or personal jealousy; by persuading individual Congressmen that their superior intelligence should lift them above the fogs of American nationality into the perspicuous English atmosphere of Free Trade; by absolutely false or misleading statements upon apparently respectable authority; by every art of social beguiling; and finally in some cases, it is to be feared, by the direct use of money.

The American manufacturers are mostly prevented by the pressure of their own affairs from continuous personal attendance in Washington, and when present their rightful influence is curtailed by the imputation that they are lobbyists seeking their own gain at the public cost. They do not take sufficient pains to accommodate their differences outside of Congress, and their mutual bickering in the many cases where the product of one industry is the raw material of another excites distrust of both disputants. They feel so entitled to the best attention of Congressmen that by pursuing them in season and out of season they sometimes weary and disgust those who should be their champions.

These warring and confusing influences assail the unfortunate Congressman at every step, while a tariff act tediously crawls through committees of preparation, through both Houses of Congress and committees of conference, and do not cease until the President's signature is finally appended.

Less favorable circumstances for a dispassionate and intelligent study of a most difficult and knotty question, involving endless details and the most

widely-extended consequences, can hardly be imagined. That our legislators should under such auspices usually perform their task so well as they do, should enact so few absurdities, and cling so fast in the main to sound policy and reason, proves clearly that common sense and honesty strongly predominate among them.

Beyond this, however, lies the absurdity of burdening Congress and obstructing legislation by crowding in upon it such a mass of undigested technical and commercial questions of which so very few members have any distinct knowledge. It is swamping our court of last resort with all the cases which ought to be mostly disposed of by something comparable to the common pleas and quarter sessions.

The one merit of the present style is that it is hard to make a tariff law, hard to alter what we have, hard to destroy the advantages we possess. A conspicuous countervailing demerit is that it offers almost no obstacles to attack upon any portion or the whole of the system upon which all our industries are based.

Almost every Congress brings forward a scheme sufficiently menacing to alarm and check the steady and peaceful production which creates the national wealth; while occasionally, by careful, unobtrusive preparation of the minds of members, a grossly absurd injustice can be rushed through Congress, as was done in 1879, when sulphate of quinine was put upon the free list, while the materials of its manufacture continued dutiable.

The third of these methods, though well enough known in other countries, as we shall presently see, is new here, and is therefore a proper object for jealous scrutiny. But let us consider the situation.

So much has been said upon all sides about the necessity of revising a tariff law which has subsisted long enough to have fallen behind the times in some particulars, though as a whole by far the best the country ever had, that we may take it for granted a revision will shortly take place. The friends of home industry, knowing that their cause will commend itself to any competent tribunal; scorning the clamor of their antagonists that they dare not bring their iniquities into court; and conscious that some errors exist which should be rectified, mostly unite in thinking that the time has come for such revision. "The industries are wearied with having the threat of ill-considered tariff reduction perpetually impending over them. They desire that the question may be settled one way or the other, so that they may determine whether to contract or enlarge their operations, while the business interests of the country—commerce as well as production—demand stability, which can not exist with uncertainty as to the future of the tariff."

Now, since tariff-making by treaty is insufferable, and tariff-making by legislative committees is so cumbrous and uncertain as to be a matter of dread, the great producing interests are substantially unanimous in favor of the third method above named. They believe it will work well, and they want it fairly tried. A circular of the Industrial League, issued June 20, 1881, from which I have just quoted, shows that a letter sent to Members of the House of Representatives the preceding winter, urging that the House should pass without amendment the Eaton bill which had passed the Senate at the preceding session, was signed by authorized representatives of an annual production of more than a thousand million dollars' worth of all sorts of goods. This overpowering unison of sentiment was but faintly combated by some who feared to allow any disturbance of the fairly satisfactory existing order, and even they, yielding to the more courageous counsels of their colleagues, refrained from any open resistance to the prevailing demand for a settlement of the long-continued menace.

The principles upon which the signers of that letter expect the revision to be effected are expressed in a circular of the Industrial League stating the convictions which they understood to be entertained by James A. Garfield, viz. :

1. That, of the revenue needful for carrying on our Government, as large a part as possible should be drawn from foreign nations by means of duties upon imported commodities, reducing to the utmost the burden of direct taxation imposed upon our own people or their productions.

2. That, in arranging, according to the foregoing proposition, a schedule of tariff duties upon imported goods, care should be taken to afford protection against foreign competition to all domestic products, whether agricultural or manufactured, so that American labor shall in all cases have preference and advantage in our own markets over foreign labor.

3. That the system of Tariff Protection established in accordance with these principles should be so well considered, so justly balanced between the various domestic interests, so clear, simple, and moderate, as to reduce to a minimum the chances of fraudulent evasion of its provisions, or of indolent reliance upon Government aid, while insuring as far as possible that stability which is an indispensable condition of cheap production and of real prosperity; thus removing the vexatious tariff question from the halls of Congress and from the field of politics.

It is most fortunate that political considerations—that is, the endeavor to advance the cause of either of the great political parties—will probably not interfere to prevent a calm and dispassionate consideration of the subject. Though the Republican party has long been recognized as committed to the Protection of home industry, some bitter Free Traders are members of that party; while, on the other hand, multitudes of the most intelligent Democrats yield to none in their desire to solidify, purify, and reinforce our tariff legislation. Ex-Senator Eaton, who introduced the bill which is approximately at least the model of what we seek, still ardently believes in its rightfulness and its success. Senator Bayard expresses himself as in sympathy with its principles, and especially with a conservative regard for the great vested interests which have grown up under the tariff. Senator Voorhees has lately spoken in favor of Protection to home industry with the decision and clearness which might be expected from his positive character.

The Eaton bill, or its equivalent, thus stands before the country and before Congress upon its merits, and will not be treated as a football between the two great parties. It will almost certainly be passed in the course of the coming winter.

Though the United States will naturally in the future as in the past take her own course in dealing with economic questions, it may allay the doubts of some of our countrymen to know that the great industrial and commercial nations habitually take counsel of their civilian citizens before legislating upon import duties and trade regulations. Even though members of their legislative bodies are frequently elected with special reference to their capacity in treating such questions, new and fresh information and advice are habitually sought directly from those individuals actually engaged in manufacture and trade as the indispensable basis of legislative action. A brief review of some instances may confirm the faith of those who doubt lest the action of a Commission might result in weakening our national defenses.

Belgium, which, joined with Holland, had suffered for many years the evils of British Free Trade, separated itself in 1830, and, though the situation of its industries was even aggravated by that act, its government refused for some time to listen to the claims of its distressed artisans; but finally, owing mainly to the efforts of Abbé Defoer, an examination by a commission (*un enquête*) was ordained in 1842, which commission reported that “all our industries are suffering, and that recourse to a protective system is imperative”

(" que toutes nos industries sont en souffrance, et qu'il est urgent de recourir au régime protecteur." J. F. CONSTANT.) The result of this commission's work is stated in the Report of Mr. Barron (in 1866) to the British Government on the New Tariff of Belgium.

He says "This (protective) system reached its climax in the law of July 21st, 1844, the result of a long parliamentary inquiry which established a most complicated scale of differential import duties, varying according to the origin and mode of transport of each article. During the same period a succession of commercial treaties was signed with other nations, still further complicating the tariff, till it became a perfect labyrinth. Every article was followed by seven columns showing the seven different rates of duty to which it was liable according to circumstances."

Thus intrenched in fortifications comparable to those of such a fortress as Strasbourg, Belgian industry revived, and a simplification of its tariff became practicable, which was effected after a fresh *enquête* instituted in 1856.

France has a system of Chambers of Commerce, numbering in 1864 sixty-two for France proper and five for Algeria. These are not volunteer associations like the Boards of Trade in English and American cities, but are elective bodies of nine or ten members chosen for three years by the business men and manufacturers entered upon the list of notables of their respective districts. It is their business to give the government their advice upon questions which concern commerce or industry. They have to be (*doivent être*) consulted with regard to changes in commercial legislation, etc.

In 1834 an *enquête* was ordained concerning "divers prohibitions on the importation of foreign products." The Council conducting this examination was composed of the Minister of Commerce, 5 peers, 3 officers of the Bank, 11 deputies, (7 of them as holding places in the Chambers of Commerce,) and 9 presidents of Chambers of Commerce; its work resulted, in 1836, in such modifications as seemed desirable in the French tariff without any sacrifice of its protective character.

Excepting the commercial treaty made by Richard Cobden and Louis Napoleon in 1860, when French industry was to some extent sacrificed in order to gain England's political alliance, the protective features of the French system have not for many years been relaxed, the French Government being constantly too well instructed and too vigilantly watched by the Chambers of Commerce. Even the Cobden treaty has been annulled by France, and will probably not be

restored, though Gambetta is said to desire it. The sentiment of France is well expressed by the words: "C'est pour nous en motif d'agir avec une extrême prudence dans les matières qui touchent aux intérêts vitaux de l'Agriculture, de l'Industrie et du Commerce. Considérant que la sécurité étant le premier besoin de ces intérêts, il importe que les questions économiques soient examinées avec sagesse et maturité," viz., "We must be guided by extreme prudence in acting upon the subjects which concern the vital interests of agriculture, industry, and commerce. Considering that security is the first need of those interests, economic questions must be wisely and maturely examined."

Germany had in many parts at the beginning of this century a general system of taxation upon every kind of consumption. Prussia in 1817 established a commission of twenty-five members, under the presidency of Wilhelm von Humboldt (brother of Alexander), to which agriculturists and manufacturers were asked to present their views. Their report rejected the plan of direct taxation and approved of a decidedly protective tariff; they upheld Protection (1) to secure to workmen good wages, (2) to secure to producers a near and advantageous market, (3) to retain in the country the capital needed for large enterprises. This report after adoption became the basis of the Zollverein, as the smaller German states decided one by one to accept the Prussian system and abolish their customs frontiers as regarded each other; though the Zollverein duties were afterwards revived, this tariff of 1817 lasted substantially until 1864, when Bismarck fell into the English Free-Trade snare, from which he has since in part escaped.\*

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\* A most notable feature of German experience, to which I have elsewhere called attention, but think worthy of bringing again to notice, is a fact established by the careful investigations of A. Lohren in 1876. He divided the articles of German export and import into four classes, viz.: A. Those which are subjected to a sufficient import duty. B. Those which are subjected to an insufficient import duty. C. Those which enter duty free. D. Those which Germany produces in small measure, or not at all.

Germany having no higher wages than her neighbors, the line of demarcation between classes A and B is fixed at six per cent.

Mr. Lohren's researches command the greatest respect by their laborious completeness. Do they demonstrate that the amount of the import duty is added to the price paid by consumers upon domestic goods? That the protected industries after all languish—that Protection does not protect? Of course, if the duty is added to the price, the protected article can not be exported, but will be strictly confined to its artificially dear market.

Mr. Lohren's obstinate and incontrovertible statistics, showing in full detail



Russia affords a curious instance of the working of a tariff commission, showing how dangerous it sometimes is to commit the work of tariff-framing to a commission composed of officials only, to the exclusion of practical business men. After the Crimean war she imposed upon sea-borne goods higher rates of duty than on those arriving by land, meaning thus to discriminate against her enemies, England and France. As the years rolled by the English chafed under this restraint, as well as under the general high tariff rates of Russia, and the English minister to Russia was charged to urge the appointment of a government commission to prepare a new tariff schedule. This scheme had almost reached completion, the commissioners were already almost fixed upon, being Russian placemen and others either in the English interest or capable of being moved thereto, when the Russian manufacturers became aware of the plot, petitioned their government to be allowed at least representatives in that commission, and finally carried their point, a due proportion of the tariff commissioners being Russian manufacturers. The *London Times*, in commenting upon these circumstances, said: "What would be the consequences of thus associating the accused with their judges might readily be foreseen,"—a phrase of true British insolence. The consequences naturally were that though the discriminating duties had become obsolete on account of the arrival of British goods over land, and were therefore abolished, the full measure of Protection to home industry was carefully maintained.

England regulates her commercial affairs by means of her Board of Trade, which is a branch of the government with a President, who has a seat in the Cabinet, and which must not be confounded with the local volunteer Boards of Trade of the various towns. It is consulted on all matters relating to laws concerning commerce and navigation, and treaties of commerce; besides various matters of merely internal interest, such as railways, concessions to com-

the export and import of each separate article for the year 1874, demonstrate, (A) that of these "hot-house" articles more than 284 million marks' worth more were exported than were imported, (B) that of the insufficiently protected articles 147 million marks' worth more were imported than were exported, (C) that of the duty-free articles 574 million marks' worth more were imported than were exported, while (D) naturally shows an enormous excess of importation, amounting to 956 million marks.

It is impossible to escape the conclusion that protective duties here gave a healthy stimulus to home production, and that the assured home market formed a basis upon which the manufacturers so improved and cheapened their productions as to become able to pour out their products into foreign countries.

panies, etc. Though a relic of the Board of Trade and Plantations, established in 1695, and set apart in 1784 by detaching the colonial department, and nominally a committee of the Privy Council, it is in fact composed of the president above named with his subordinates, and has great independent power.

Should the time come when the tariff of Great Britain is to be seriously revised in the interest of preventing the intrusion of foreign manufactured goods, we may be sure that the change will be preceded by the labors of a special commission such as has so often made a reconnaissance in advance of Parliamentary action. It must be conceded that a Civil Commission for preparing tariff legislation has respectable precedents in other countries, and that these precedents do not justify any fear that domestic interests will be sacrificed by such a Commission.

But it has sometimes been urged against the proposed Tariff Commission that it would usurp the functions of the regular Congressional committees, thus causing to be done by a comparatively irresponsible body what should only be intrusted to the duly elected Representatives and Senators; surely those who thus hastily object do not remember that no one has ever proposed to clothe the Commission with any legislative authority.

Its work is done when, after studying the endless details of our existing law, of our domestic industries, and of our foreign commerce, it submits to Congress the conclusions to which its studies have led, with the data upon which those conclusions are founded. The legislative bodies will then act in accordance with those conclusions, or modify them at pleasure, or decline to act at all, as to them shall seem best.

The Commission is to do no more than lighten the labors of Congress by procuring, digesting, and arranging a vast mass of facts; doing with some approach to completeness what has hitherto been very imperfectly done by the House Committee on Ways and Means and by the Senate Committee on Finance. It is not too much to say that the old system has broken down by its own weight, and that intelligent and comprehensive preparation of a tariff law can no longer be expected of the Congressional committees, crowded as they always are with other work. Either the country must be content to go on indefinitely with the present law, modified from time to time by bungling amendments, or it must create such a Commission as Senator Eaton's bill proposed.

Another objection sometimes made is that not a Civilian Commis-

sion, but a special Committee of Congress, should be intrusted with this important work, or at least that the Commission should be composed in part of Representatives and Senators. But in the first place those gentlemen could not quite so readily as mere civilians gain instant and frank intimacy with the true sources of information, the captains of the great industrial army; a certain reserve would intervene; neither would they know so well just where to apply, nor how much to allow for exaggerated or imperfect statement as would experts trained in the very industries under investigation. In the second place Congress would feel much less constraint in dealing with the propositions of outsiders than with the work of their own chosen representatives; while again there is a certain unfitness in submitting the propositions of the Commission to the votes of those who have prepared them.

Let preparation and legislation be kept separate, lest either embarrass the other.

Of course the composition of such a Commission would be a subject of deep solicitude. If it is to consist of nine men, how shall they be selected? What manner of men shall they be?

Presuming that quick intelligence of the matters under consideration is, after integrity, the first requisite, it would seem fitting that each of the chief groups of industry should be represented by one man; thus, for instance, agriculture, mining, ships and commerce, iron and steel, wool and woollen goods, cotton, silk and other textiles, glass, pottery, etc., drugs, chemicals, etc., might each claim a seat, or the arrangement and subdivision might be somewhat differently grouped. For President a man of high standing, preferably one known to his fellow-citizens as having acceptably performed important public service, and of really exalted character and intelligence, should be chosen. For Secretary a man well versed in the working of our existing laws, in Treasury rulings and judicial decisions, and in the ways of custom houses and the tricks or evasions of unscrupulous importers, would be most valuable.

It might be necessary that what is loosely called the Free-Trade element should be represented on the Commission; both political parties should certainly be. Seeing that the appointments would be made by a Republican President, and that the Republican party is firmly committed to the principle of Protection to home industry, it would obviously be right that a majority of the Commission should be Republicans and that a majority also should be distinctly Protectionist, but extremists of every kind are to be avoided.

The complexion of the Commission as a whole should be such that no considerable body of citizens could feel that they had no voice in it, but rather such that men of every shade of honest American opinion must feel that, since their mode of thought had been fairly represented, the conclusions of the body will probably be just. The usefulness of the Commission depends in fact very greatly upon the extent to which its work succeeds in commanding general respect and confidence; it is conceivable that the Commission may be so well constituted and its work so obviously well done that its conclusions will be accepted almost without dissent by Congress and by the Nation.

One real danger must not be overlooked. The foreign enemies of our industries may be relied on, if experience is to be our guide, to endeavor to mould and distort the action of the Commission, perverting its conclusions by false data and fallacious argument, and thwarting its purpose as an exponent of American interest and will; yet, though places will be sought by men in the interest of our industrial rivals, and these men will be urgently forced upon the appointing power, it is to be presumed that this peril can and will be avoided. I feel ashamed as an American to have to mention it, but I remember the tenacious impertinence of foreign emissaries in Washington at the times of tariff-making, and how an adroitly-worded phrase or a loosely-constructed classification has been turned into money by their employers.

A failure in the very delicate matter of appointing the members of the proposed Commission insures failure in the work of the Commission. It must be, like Cæsar's wife, above suspicion, or its conclusions will be spurned.

In the manner of doing its work the Commission would naturally be a law unto itself. It would devise its own methods of procuring information, and would draw its own inferences after hearing all. Upon these points little can here be said, without danger of trespassing the bounds of decorum. We may, however, fairly presume that much will be done in the way of simplifying, and much improvement made in rectifying, points where experience has shown the language of the present law to lack clearness and precision. Some additions will be made to the free list. Some advances of rate will be found necessary to save an industry or to establish a new one. Some reductions, and perhaps a general slight reduction, may be expected.

Those of us whose livelihood depends upon the import duty which our Government exacts from our foreign rivals must be prepared in

some cases to see that duty lowered; our sufficient recompense will be found in the greater permanence of the protection which remains.

Perhaps the most obstinate, though not the most conspicuous, resistance to a reduction of duty will in some cases come from those obscene creatures who have hitherto reaped large illicit gains from evasions of existing law.

Those who think certain rates too high must remember that no one can have things exactly to his mind, and that, if any branch of industry should for any reason be for a time excessively rewarded, that circumstance is sure to work its own cure by inviting competition.

It is, I think, reasonably certain that the vast majority of Congress and of our fellow-citizens will accept with loyalty and satisfaction the schedule of import duties finally determined upon by the Commission, provided two cardinal points are observed in its labors, viz.

First, that their aim shall be constantly to serve the interests of their own country and their own countrymen. Sentimental notions about universal philanthropy are as totally out of place in this work as is the sham philosophy of the Anglomaniacs. The making of a tariff is a purely practical business arrangement, dictated by enlightened selfishness, and intended to benefit the nation that makes it.

Second, that, instead of destroying all existing law and starting afresh with a totally new scheme, the old law should be as little departed from as possible. Everything is now fitted to the law as it stands; everybody interested in it understands what to expect of it, except where Treasury decisions have spoiled it; enormous vested interests are based upon every part of it; the population of the country is distributed in accordance with the conditions which it has brought about. Change nothing but for imperative reasons; where changes must be made, observe carefully all surroundings before deciding. Let the nation know at the beginning that this is to be the policy, so that no feeling of distrust may be excited to cause the work of the Commission to be condemned in advance.

In conclusion, I repeat with due diffidence that we may expect from the wisdom of the Commission that the changes to be made will turn out to be mainly in the rectifying of some real mistakes and abuses; such amendment of phraseology in places as will close the door to many abominable perversions; an extension of the free list by adding to it divers foreign and particularly tropical materials, and probably by a moderate but most guarded general reduction of

rates—such a reduction as will lessen the inducement to smuggling or evasion, and as will be compensated by the feeling of security, the belief in permanence, and the resulting more settled prosperity of the nation. The general policy of Protection to American Industry will remain firmly established and be even better fortified than now, because the flaws by which the intention of the law has been evaded will be carefully amended, and because the Commission can not possibly do its work without most thoroughly convincing itself and Congress that the reiterated verdicts of the people as expressed by all recent elections mean in dead earnest that Protection shall rule.

In the main it is safe to say that the industries will prove, in the high court to which they willingly commit their cause, that their moderate demands are just, and that their interest is the interest of the nation.

(During the delivery of his address Mr. Wharton called upon Judge Kelley to substantiate the statements he made in reference to the old-fashioned methods of tariff-making, and the Judge replied in some well-chosen remarks, relating an interesting incident in his experience as a member of the Ways and Means Committee of the House of Representatives.)

The programme was then changed to permit Mr. John Jarrett, of Pittsburgh, President of the Amalgamated Association of Iron and Steel Workers of the United States, to address the Convention.

#### ADDRESS BY MR. JOHN JARRETT.

MR. PRESIDENT AND GENTLEMEN: I was requested simply to say a few words here. I have not got any prepared speech. I am simply here to express the sentiments of the workingmen. I presume I represent about 65,000 workingmen, a solid phalanx of Protectionists. What is it that makes these men Protectionists? The question is easily answered: Fair wages. A gentleman requested me to get up statistics of the wages paid in England, on the Continent of Europe, and in this country, and to give him the difference; that is, to justify the difference in the wages paid in all three places. Let me say, however, that it is not alone the difference in wages which makes our men Protectionists. It is because the American workingman is recognized as a man and as a free man. There is nothing more pleasing than to know that the nobler

traits of our nature as workingmen can be brought into play. If we desire to maintain our country as a free country, then let me admonish you, my friends, to keep your workingmen free and untrammelled, and the country will always be "the land of the free and the home of the brave."

There are several questions that require a great deal of attention and consideration in connection with this matter. We have listened attentively to the speeches that have been made, and I am highly gratified to know that the sentiment in this Convention has so far been so favorable toward labor. Education is the great essential that I now desire to refer to. Every means should be adopted whereby the workingman should be educated. I have heard it stated lately that even in our noble country there are children engaged at menial labor at a very early age. This is wrong. I had the pleasure of hearing a gentleman say, a short time ago, that he was the father of fifteen children, all under age, and he would not permit one of those children to go to work to make a living for him and them until he had given them an education. This is essentially necessary, and I earnestly hope that every manufacturer and every workingman here to-day will be in favor of seeing our people educated, and that they will give this question their direct attention. Let there be no evasion of this question, whatever; but let every one see to it that no child who has not received an education will ever be employed by them.

I do not care for one moment that there should be any insinuations thrown out that may reflect upon either capital or labor. I stand here as a workingman, having for some twenty-five years worked in a rolling mill; and during that twenty-five years I have always advocated the principle that the interests of capital and of labor are identical. What will conduce to benefit capital will conduce to benefit labor. We are glad to recognize that fact. Labor is beginning to recognize the fact that whatever will conduce to benefit capital also benefits labor.

It has been said here that labor gets a good share of the benefits of the tariff. While I agree to that I want it understood that labor does not get all of it, and does not want all of it. The tariff is for the Protection of capital and labor. If I had taken the details which I have in my possession, and had arranged the necessary figures, I could have explained this matter in a very short time. We have a system in our business of arranging wages, and the basis of our arguments in connection with that system, really and essen-

tially, is the tariff question; and the amount of Protection given to every department of manufacture or industry certainly gives us a basis on which we can argue this question with our employers.

I take the opportunity to tell you this, not that I want to abuse our iron and steel manufacturers, for I am glad to admit here to-day that in such of the iron and steel manufacturers of this country as I have been connected with I recognize men of the noblest intentions; men who will listen to the demands of labor; and men who will reason together. A great man among them, who is not present in this Convention to-day, said to me some time ago, "There is nothing which gives me greater pleasure than to have my men come to me and reason with me; but I have had a great deal of trouble with them lately, and they are in a panic now, and I am not able to do anything with them." I said to him that I thought I could remedy that condition of things if he would only let me go into the mill and have a talk with the men. I went into the mill and talked to the men, and found that the whole trouble was caused by some of them indulging too freely in the use of intoxicating liquor. I reasoned with them, and showed them that it would be for their interest to reform that habit, and they did so, and the manufacturer and his men got on good terms again. The result of that was an increase in the production of that mill of no less than about 35 per cent., and that manufacturer told me he has not since then seen a man under the influence of drink, nor has he discharged a man for neglect of duty. When we can build up a business like that let the manufacturer and the workingman stand shoulder to shoulder, and we can always maintain "a fair day's wages for a fair day's work."

I had occasion, a few days ago, to explain how the tariff was a benefit to the workingman. Some workingmen have not yet recognized that the tariff is to their benefit, yet when I put the question to a few of these men the other day they said that they had never studied the question.

What do the facts of the past tell us? What has Protection done for our country? A gentleman said, the other day, "Look at what Free Trade has done for England!" Said I, "Look at what Protection has done for us!" He said, "You were born in England, weren't you?" I said, "Certainly." Said he, "How is it, then, that you entertain such notions in favor of Protection?" Said I, "I have come over here to get better wages, and, moreover, I can remember that, when I was a little boy ten years old, I hap-



pened to pick up a book on American history, and poring over its pages my heart bounded in my bosom, and I thought I would like to be in that country, this great country called the Far West, and have some evidence of that liberty in its simplicity is. And that feeling has prompted thousands of men like myself to come to America. And when we came here we became Americans, and when we are Americans we must be in favor of Americans." It is folly to think that because a man was born somewhere else he must allow the place of his birth to control his actions here. I am not an extremist; but I want to see every pound of steel that is consumed in this country, every pound of iron that is consumed in this country, and everything else that is consumed in this country, if we have the means to manufacture that article, manufactured right here.

Our citizens have the inventive genius which makes the most of every opportunity, and back of that they have the industry and ability to put the results of their inventive genius into operation, and they are daily benefiting the community and the world at large. But, while inventive genius emanates from the brains of the artisan, and while capital too often reaps the greatest advantage from it, I think we ought to consider that both interests are identical, and that Protection is the friend of either, and that the inventive genius of the workingman ought to be protected as well as capital. I want to see such an adjustment of prices as will let the workingman have something to show for his labor. If you recognize that the only commodity a workingman has to sell is labor, then I am a happy man, and I think that our work will be simplified and very much more extended in the future than it has been in the past.

The workingmen of America are, as it were, rising higher and higher in the social scale; and oh! that every influence were brought to bear upon the workingman to liberate him from many of the evils that surround him! I came here not knowing what to say about the whisky tax or the tobacco tax; but I heard such an able speech on that subject last night that I know more than I did; and do you know that the most of the evils to which workingmen are subject spring directly from alcohol? What I want to say is this: Oh! that they who are so much better educated than I am, those who have so much more influence, would use their education and their influence in enlisting every workingman against whisky and all those drinks, and all that degrades the man. That is all. I shall be happy if that is done. Did you but know what I know

on this question you would not be surprised if I should be more enthusiastic.

We, as workingmen, are in favor of a Tariff Commission. I admire very much the remarks made by the gentleman who has just spoken, Mr. Wharton, as to how this Commission shall be appointed. It has been stated, according to a resolution introduced here yesterday, that the cardinal points of this Convention are Protection and the revision of the tariff by a Commission. If that is the case I earnestly hope that labor will be recognized in forming the law, so that labor will receive its protection in that Commission; that is, that we have our representation on that Commission. We have always said that if the workingmen received the benefits of a better education they would make better members of society and be qualified for representation anywhere. And that is what we ask at your hands. Let the workingmen be untrammelled and free; but let them be educated so that they will be prepared to understand every question that may arise for their consideration. I believe in giving the workingmen encouragement in matters of this kind. It will build them up. It will stimulate intelligence among them. They will think for themselves. Other people have been doing the thinking for the workingmen; and it is about time they did their own thinking.

We want no socialism. While we recognize as self-evident truths that man has been created equal to his brother man, and that he is entitled to life, liberty, and the pursuit of happiness, we do not want to become socialistic. I said something about that when I was in Europe; and that is where socialism came from. Let a man understand that he has an equal right to exercise the privileges referred to in the Declaration of Independence—life, liberty, and the pursuit of happiness, and I believe that then the workingman will be less troublesome. We should avoid all circles. We should have perfect honesty on all sides. Each side should be as candid as the other. There may be facts brought forward and presented to the workingmen which will be sure to gain their confidence; and when you can bring facts to their attention you have men in whose hands your destinies are safe. Until you can do this we will have constant troubles.

There are other questions that I could present to you; but I do not think that they have anything to do with this Convention. I earnestly hope that this Convention will send forth its note in no uncertain sound that labor (I do not want to say this boastingly) is

the great producer of wealth. Labor is that element which should command the greatest respect. Labor is that element which should be kept untrammelled and free. Labor is that element which must keep the glorious stars and stripes unfurled as the flag of liberty. And, if we but do this, and only this, we shall, before another decade has passed away, have known and learned for ourselves that the destinies of America have been sealed forever.

In conclusion, permit me to return my sincere and hearty thanks for the patient hearing which you have given me in the interest of labor. I hope that as workingmen and as manufacturers we shall learn to have a higher regard for each other, building up that confidence in each other whereby the interests of one shall be the interests of both. May this Tariff Convention be instrumental in bringing about that condition of things! We must not be controlled or governed in our actions by any other country, or the opinions of any other country. We want to be free from every other land. We do not want cheap labor imported here; neither do you, gentlemen, want cheap raw materials imported here. I regret that we have a market here for so much of the raw materials of other countries while we have the same materials here in the bosom of our mother earth; and I think that we ought to utilize them. I would like to see as high a tariff on raw materials as on many manufactured materials that come into our markets. I want to give the farmer the same chance as every other man who works by the labor of his hands. An increase of industry is what we want.

The Convention then approved a motion made by Mr. Wellington Smith, of Massachusetts, to the effect that the Secretary should call the list of the industries represented in the Convention, and as each industry was called that the delegation representing it should select a speaker, to respond for it in a five-minute speech; also, that the further reading of papers should be dispensed with, but that any papers which had been specially prepared for the Convention should be printed with the report of the proceedings. The Secretary then called upon the representative of the paper industry, to which Mr. Wellington Smith responded with the following address.

#### ADDRESS BY MR. WELLINGTON SMITH.

MR. CHAIRMAN AND GENTLEMEN: I have been asked to speak to you for five minutes in reference to the system of Protection in

this country as applied to the manufacture of paper; and I am proud to say that that industry has grown from very small proportions until we are now making twenty-five hundred tons per day. We consume more paper to-day than any other nation on the face of the globe; and the consumption of paper is always considered as an element in and the standard of intelligence. To be brief and pointed, what has been the result of this on labor? I looked over our books the other day, and I found that we were paying our laborers from one-half more to double what we did twenty years ago.

I am also asked to state what is the result on the manufactured article. I think the consumers are satisfied with the papers we are selling to-day and with the price at which they are receiving the manufactured product, for it is one-half of what it was ten years ago. And what has been the result in the consumption of agricultural products and other things? It has greatly aided in their consumption; and I think that these are the things that ought to testify to this Convention what has been the result of Protection to the paper enterprise. The increased wages paid to labor, the reduced price of the manufactured article, and the consumption of agricultural products and manufactured articles in the localities where they are produced and made, are facts which people can understand. Fine-spun theories they can not. I found that the consumption of the flour product in our vicinity was twice as much to-day as it was in 1860.

These three things I want to put before this Convention as the result of Protection, namely: Increased wages paid to labor; reduced price of the manufactured article; and a largely-increased consumption of the products of our soil. This question of the tariff is very simple. Are we prosperous as a people, or not? Are we not the only nation on the face of the earth which makes a pretense of paying a national debt? Some years ago I was in Europe, and I saw a woman working as a mason on the top of a building six stories high, and I saw women working in the fields like men—women and little children together, whole families of them. What keeps us from competition with that sort of labor? How can we compete with such labor when we pay from one-third to one-half more per day for labor, and when we have to buy part of our raw material abroad, take it up to our manufactories, and bring it back again to market as a manufactured product? How can we compete with Germany, Belgium, France, and England except for the tariff? We do not want to compete with that kind of labor. As has been well said in

this Convention, I do not want to live to see the time when the laborer of America will be reduced to the level of his kind in Europe, and nothing but a wise and well-developed system of Protection to our industries can prevent such a condition of things being brought about here. Protection, and nothing else, is the cause of the intelligence of our American laborers. We have been shown here how one industry, the manufacture of cotton-ties, was driven out of the country; and if it was not for the tariff we could not carry on any manufacturing business. It is true in my own case; it is true of the cotton industry; and it is true of all others.

That is all that I desire to present to the attention of the Convention, and I close, as I began, by repeating that the results of a Protective tariff are: We pay a higher price for labor; we sell a cheaper manufactured article; and we make a market for home products.

The Secretary next called upon the representative of the rice-growing interest, and Col. John Scriven, of Georgia, responded.

#### ADDRESS BY COL. JOHN SCRIVEN.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: Long disuse of public speech, and, to-day, really severe indisposition unfit me to respond to your invitation with that degree of pleasure, and perhaps with that degree of precision, which are due to the subjects before you; but I am led by the conscientious convictions of a convert to state to you the facts in relation to the interests which I have been sent here to represent. I come here representing no political party. My first vote was cast in opposition to Protection. That vote was cast before the war, under circumstances which are quite different from those which exist now, certainly in my section of the country. We of the South have observed the grandeur of the growth of the North, and let me say to you in all candor that despite defeat, despite humiliation, (it matters not whether it be deserved or not,) we are proud now to join you in the glory of your country. I believe, fellow citizens, in common with many of my countrymen in the South, that these great results, these enormous evidences of your prosperity and welfare, are due to the high, conservative principles which you have announced in this Convention. We would follow, humbly though it may be, in the shadows that you leave behind you.

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Let them fall from some Northern sun  
Upon the climes from which I come.

The interest I represent is a very humble one, in comparison with the great interests I have heard set forth in this assembly. It is simply the rice industry. The time was, before the war, when this industry formed a very important integer in the business of this country. We then had a system of labor so cheap, so entirely controllable, (I speak not of sentiment, for even in that, slave-holder though I have been, I go with you there also,) and so economical, as to enable the rice industry of the South and the cotton industry of the South to compete, no, not to compete, but to make its products stand king in the markets of the world. Now, these facts are all changed. The war has obliterated our system of labor. It has now become free labor; and I, as a Southerner and as a man, rejoice in the fact. I have no complaint to make of its consequences, nor is there anything under the beneficent influences and results of the system under which you are existing to-day, nor is there anything in the results of the changed system with us, for these Southern men to regret.

If under the change of the system of labor, and the consequent changes of the price of labor, we had been placed under the continued manipulation of Mongolian and East Indian labor, the rice industry of the country must necessarily have succumbed and been obliterated from American soil. But the facts are these: In the crop year 1865-1866 there were produced 11,600,000 pounds of rice; in the crop year just passed, 1880-1881, the production has been 117,766,000 pounds. I may say that the whole of the American product of rice is consumed in this country, for but 150,000 pounds of the American crop were exported in the past year. And the same instructive lesson is to be derived from the investigation of the facts of the decade anterior to 1881. The gross production of rice in the Southern States from 1870 to 1880 was 667,000,000 pounds. Of this, nearly the whole crop was consumed. Now, come nearer to the point. You must be aware that there is a very large importation of Eastern rice into the American ports. Therefore, in the decade I have named there were imported into the United States 639,000,000 pounds. It must strike you with remarkable force that the American people are permitted to consume as much foreign rice as they please, and that the quantities of American rice and foreign rice consumed in the United States are so nearly equal that it absolutely puts the foreign rice and the American rice

in a system of competition, and purely under the influences of the present duty upon foreign rice.

I have only to add that the total consumption of rice in the United States at the present time is 135,000,000 to 145,000,000 pounds per year. We will assume that nearly half of this is foreign rice. It is plain that if you abolish the duty, and take away the sustaining power afforded by it to the Southern producer, the result will naturally be the establishment of the same monopoly which brought large quantities of foreign rice into the United States during the late war. What was the result of that? Simply that prices of rice then rated per pound at from 13 to 17 cents. What do we see now? The average price of rice in this country is about 5 to 5½ cents per pound. That is brought about for the benefit of the American people; and I believe solely and entirely from the beneficial influences of your tariff. I do not know that I can add anything to these statements. I did not come here prepared for speech-making. The call upon me has been quite unexpected. I did not look for it; but I will not take my seat without expressing to you, and especially to the honorable gentleman I see before me, [Hon. W. D. Kelley,] and others, my profound gratitude for the consideration they have exhibited for my section of the country.

The Secretary next called upon the representative of the copper and brass industry, to which Mr. F. J. Kingsbury, of Connecticut, responded.

#### ADDRESS BY MR. F. J. KINGSBURY.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: I do not represent the copper business directly, but rolled and sheet brass. The history of that industry is the history of every one of the active industries that have been pursued throughout the North. I could point out to you, if I could take you on the main streets of the city where I live, long rows of houses, where almost every house is owned by the man who lives in it, and that man a mechanic. Waterbury, Connecticut, is the centre of the rolled and sheet brass business, and there the mechanics live in their own houses; and those are houses that any man in the community, no matter what his position and wealth may be, would have been proud to own twenty-five years ago. They are surrounded by ample yards, with

flower gardens. The insides of the houses are supplied with musical instruments. The walls are hung with pictures. The houses are supplied with the latest of our magazines. And these are the homes of laboring men, the men who work day by day with their hands, for days' wages.

That is but one of the results which are just as directly traceable to the tariff as one thing can be traceable to another. There is no question about it. We all know how the brass interest ramifies, and goes everywhere. You can not look up in a room in your house without seeing it. You see it in every lamp and in every gas-fixture. Wherever you go you find it in a hundred forms. You carry it in your pocket, and if you look around you see it wherever your eyes fall. The ramifications of this industry in this country amount to over one hundred million dollars annually. I have no doubt of it. I can almost count it up on my fingers. And you can judge how many people an industry like that supports and makes comfortable.

I had supposed that the question of the tariff had been settled forever in this country by the results of the Centennial Exhibition of 1876. I did not suppose there could be any further argument, when those European mechanics who came here for the purpose of investigating the subject went back and reported as they did. I think we all feel that it is nothing but the feeling of pride which animates England to-day, peculiar as her notions are on the subject of Free Trade, from turning her back on the old policy of Free Trade and adopting the policy of Protection.

I presume our business here is to consult on the action to be taken in the immediate future by Congress, respecting the tariff. I think there has been a growing feeling that a modification is demanded; and it is far better that that modification should be controlled and managed by men who understand their business, and who have the interests of labor and capital at heart, rather than to have it controlled by men who care about nothing but how to get a few more votes. I think our main consultation here to-day should be confined to that subject. It is not a good subject for discussion in a town meeting; but a little talk here will not do any harm.

The Secretary then called upon the chemical industry, and the following paper was presented by Mr. Alexander H. Jones, of Philadelphia, on behalf of the Manufacturing Chemists' Association of the United States.



## PAPER BY MR. ALEXANDER H. JONES.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: The manufacturers of chemicals in this country are desirous of having the revision of the tariff of duties on foreign products intrusted to a Commission. They believe that in this way only will it be acted upon understandingly and with proper care and deliberation. Their experience, here briefly narrated, will furnish ample reason for their present decision, and sufficiently explain the recommendation they now make.

Had either the tariff bill prepared under the direction of Hon. William R. Morrison in 1876, or that of Hon. Fernando Wood in 1878, gone into operation, as originally presented to the respective Committees of Ways and Means of which they were chairmen, the chemical industry of the United States would have been practically obliterated. Fortunately for the entire country, Mr. Morrison's bill fell after a very brief struggle for existence in the House of Representatives, and that of Mr. Wood failed when the motion to strike out the enacting clause was carried. Both of these statesmen made special attacks on chemical products, selecting one particular industry to operate upon, and evidently intending to follow out a strategical policy; to pick out and strike down, like sharp-shooters, one industry after another; to carry on a sort of guerrilla warfare, instead of making a bold and general attack along the entire line.

Against such legislation manufacturers would do well to present a united front. They should stand shoulder to shoulder, bound together in defense of one common principle, in which they and their working people and the country at large are alike interested. Unless the industries of this country stand by each other they will be taken one at a time, and the resistance offered will be feeble and ineffectual.

Not only, however, did the two gentlemen referred to desire to make an example of the manufacture of chemicals, but they wanted to go still further; so far, indeed, as to apply unusual treatment to this department of labor by taxing crude materials used by Americans, and admitting, free of duties and taxes, finished products made by foreigners.

The position of the manufacturing chemical industry, at this moment, is therefore such as to demand attention.

No one can deny this proposition: That, if the finished foreign product be made duty free, then all crude materials employed in the manufacture of a like article here should be exempt from internal

taxation and customs duties. No intelligent man will deny this, and neither Free Trade nor Protection has anything to do with the case; for, unless legislators aim at crushing out their own people and building up foreigners, they will never, under any circumstances, in any country, whether ultra Free Traders or radical Protectionists, whether in England, France, Germany, Italy, or any other civilized community—they will never tax crude materials without, at least, imposing countervailing duties on the finished goods produced abroad made from similar crude or raw materials.

Assuming that no one who understands the subject will venture to dispute this proposition, (and if he does he has but to refer to the various tariffs of European manufacturing nations for information—and information, we should say, he greatly needs,) we desire to illustrate the practical ideas on the tariff question of the late Hon. Fernando Wood, Chairman of the Ways and Means Committee.

A tariff bill was prepared in 1878 by Mr. Wood personally, or under his direction, and submitted to the committee for consideration and discussion among themselves. Manufacturers, in alarm, came from all parts of the country to obtain hearings, but were refused admission to the committee room during the sessions of the committee, and were only allowed to enter the room after the committee had risen, and to hastily exchange views with individual members anxious to enter the main chamber to attend to their usual duties, and who evidently regarded the whole business as an infliction.

To promote judicious legislation and guard important interests against hostile foreign assault, by hurriedly injecting a few detached sentences into the ears of unwilling and sometimes unfriendly listeners, is not possible.

In a speech delivered on June 4, 1878, Hon. Fernando Wood said:

But I deny that a tariff bill can not be properly drawn without the aid of manufacturers. The knowledge which they possess relates to their own special productions, it is true, but it does not follow that they are learned in the principles which govern the enactment of laws of this class, or that they possess the requisite knowledge of political economy which qualifies them for statesmen. Besides, why should we seek advice from interested parties? Why should we call to our counsel those who have pecuniary inducements for misleading us—the tariff made for them who are to be protected? Is it the object of a schedule of duties to see how best to put money into the pockets of a class of beneficiaries? To assume that a tariff bill can not be drawn without the advice and consent of the protected interests is to assume that

its sole object is to make money for individuals, and not to raise money for the support of the Government. I repudiate this pretension, and believe that we should not consult the manufacturers in making a tariff, but that we should avoid their association, who are interested in misleading us.

Let us briefly examine the tariff bill, as originally prepared by Mr. Wood. In illustration we select a few items: Crude camphor to be dutiable at 3 cents per pound; refined camphor to be free.

What is crude camphor brought here for? To be refined. Nothing else. Who would import crude camphor and pay a duty of 3 cents per pound, and refine it, if the foreign refined were made duty free? No one. Then what would be the result? 1. No camphor refined here. Works stopped. 2. No crude camphor imported at 3 cents per pound duty—hence no revenue. 3. Refined camphor alone imported—being free of duty, hence no revenue.

So, instead of increasing the revenue, which was Mr. Wood's object and belief, he would have had no revenue at all, but the business of refining camphor suspended. Here are a few more items:

Crude argols to be dutiable. Tartaric acid and Rochelle salt (made from argols) to be free.

Quicksilver, or mercury, to be dutiable. All mercurial preparations to be free.

Concentrated lemon juice to be dutiable. Citric acid (made from lemon juice) to be free.

Crude brimstone to be dutiable. Sulphuric acid (made from crude brimstone) to be free.

The duty on opium to be doubled. Morphia (made from opium) to be free.

Peruvian barks, then on the free list, to be dutiable at 10 per cent. The tax on alcohol and the duty on fusel oil to remain unchanged, but the duty on quinine to be reduced one-half, and all other alkaloids extracted from Peruvian barks to be admitted free.

The tax on distilled spirits, 90 cents per gallon, was to remain, (this is equivalent to about \$1.70 per gallon on alcohol,) while alcoholic preparations, such as chloroform, sulphuric ether, spirits nitrous ether, etc., were to enter duty free.

A number of essential oils are made in this country from dutiable crude materials, such as oil of cloves, oil of nutmegs, oil of black pepper, and oil of pimento. It was proposed by Mr. Wood to retain the duties on spices and make the oils free, which would have resulted in less revenue to the Government and stoppage of the manufacture of such oils as we have mentioned.

In connection with this line of policy there was another remarkable proposition. Opium deposited in bonded warehouses was not to be removed therefrom for exportation without payment of duty, and such duty was not to be refunded. This, we may explain,

would have entirely prevented the exportation of opium from this country, and greatly diminished the volume of an important branch of business. Opium is admitted free of duty into England, and large quantities are exported from that country. Our merchants can import opium from Turkey, deposit it in a bonded warehouse, and export it to the West Indies, South America, and elsewhere, upon about equal terms with English exporters, being privileged to withdraw it from bonded warehouse, for export, without payment of duty.

Mr. Wood's idea of promoting trade and commerce, as applied to this article, was to double the duty—making it \$2 per pound—then to admit the products of opium duty free. This would have entirely suspended the manufacture of morphia and similar articles in this country, and would have about closed all business in opium; but, to leave no doubt on this point, our merchants were to be prevented from competing with European exporters, by making their opium cost them at least \$2 per pound more than that exported by English and other European dealers. Instead of doubling the revenue, as was his expectation, he had arranged matters so as to almost cut it off entirely. His idea was to derive a large revenue from a few articles. Glancing over the free list, if he noticed a large quantity of an article imported, he argued that a duty on it was just the thing to produce a relatively large revenue. This view he took in the case of argols, Peruvian barks, camphor, and opium.

Failing to see the importance, or, we should rather say, not comprehending the necessity of compensating duties on finished products, he utterly missed his aim in his programme of taxing raw materials, for his bill would, in many instances, not have produced any revenue at all, as importation would have been out of the question.

His bill, in general, showed most lamentable ignorance. It was prepared without consultation with American manufacturers, a class he affected to despise and felt privileged to insult. It was deservedly condemned alike by Free Traders and Protectionists, and was hustled out of existence by the striking out of the enacting clause.

Yet this bill and that of his predecessor, Mr. Morrison, unsettled business for months, brought men away from their customary daily affairs and their homes and other social pleasures hundreds of miles, to interview members of Congress and wait outside the doors of committee rooms, but finally it failed, leaving memories instructive, it is to be hoped, if not agreeable, and such as will put an end to that sort of childish and ignorant, but pre-eminently unjust, treat-

ment of American manufacturers. American manufacturers, who have done so much to diversify the industries and develop the resources of this great country, who have contributed so largely by their skill, intelligence, industry, pluck, and patriotism to elevate the United States to a prominent position among the powerful and self-sustaining manufacturing nations of the world, should not be told by any one that they are men not safe to be trusted and are to be avoided rather than consulted.

Instead of obsequiously suing for audiences with members of committees, they should insist upon it that the revision of the tariff should be intrusted to a commission of competent men, having ample time to thoroughly and intelligently investigate the whole subject.

Let us point out the difference between tariff legislation in this country and in France.

The contrast between the masterly management of the subject of the tariff in France, and the publicity given to it there, and the crude and bungling productions presented of late years to our Committee of Ways and Means as tariff bills, together with the mysterious secrecy surrounding their preparation, must be painful to every reflecting American citizen.

Mr. Wood has left behind him his opinion of American manufacturers. They were to be avoided; they were not to be trusted nor consulted; they were a set of beneficiaries and bent upon misleading the otherwise well-informed and impartial Congressman.

On the other hand, the French Minister of Agriculture and Commerce, in his report to the President of the French Republic on the renewal of the commercial treaties, (in 1875,) explains the care that is taken in France in all matters relating to the tariff. French tariff legislation looks to consulting French (not foreign) Chambers of Commerce, Arts, and Manufactures. No fewer than 78 bodies, composed of intelligent and well-informed representatives of the various French industries, were thus consulted (not English or German, but French chambers) about the interests of France, and with a view to still further improve the condition of their own already prosperous country.

French tariff legislation is of a deliberate character. As early as April, 1875, the Commercial Chambers were questioned regarding treaties expiring in 1876 and 1877.

French tariff legislation is not only national and patriotic, but thorough and well-considered. Not satisfied with giving ample time

to the Chambers of Commerce, the opinions of these bodies are gravely reviewed by a superior council, whose views, in turn, receive careful attention at the hands of the government.

Such is the course in France—a country of which it has been said: “There is something in the commercial prosperity of France which, by-and-by, may convert skeptics to Victor Hugo’s poetic doctrine that she is the ‘mother of nations’ and the ‘crown of the universe.’”

Referring to Mr. Morrison’s bill, as being so silently prepared, (it was known in Great Britain that such a bill had been prepared, and was to be presented, before American manufacturers had received any intimation of such a movement being in contemplation,) it was well said at the time that “while privacy and secrecy are most excellent good things in time of war, when it is vital to come upon an enemy by surprise, or in detective police business, when criminals, who suppose they have covered up their tracks, are to be traced to their hiding places, we do not believe they are good things in any degree in the preparation of laws for the agriculture, trade, commerce, and manufactures of a nation.”

At the time the bill of Mr. Morrison was being discussed in a general way, (it never was considered in detail,) Mr. Kasson, of Iowa, remarked in debate—and we quote, as being of special interest at this time:

I speak as the result of a good deal of experience on the Committee of Ways and Means. Where we are subject to individual applications, as we are in that committee, and hear individual views, we do not grasp the whole interests of the country in a satisfactory manner, and can not know what may be put upon the free list in safety, what and how much may be made dutiable with safety, and the relations between the raw materials and the manufactured products in competition with the manufactures of other countries. For these reasons I feel for one that I could not vote upon this bill except against it, and I would very much prefer that there should be a proposition from the Committee of Ways and Means to organize a commission that might hear all the great interests of the country; not only those who choose to come before them, but those whom they might summon to come before them and state their knowledge upon the subject. It is for these reasons that I shall be very glad if the gentleman from Illinois (Mr. Morrison) could assure the House now that he will not ask a vote on this bill at this session.

But little is known about the chemical industry, its magnitude and importance, and yet we claim to rank among the leading industries of the country. We propose to present some statistics to show its growth during the past fifty years and its present status.

At a general convention of the friends of domestic industry, assembled at New York, October 26, 1831, it was resolved that a committee of five be appointed to report on the subject of "chemistry as connected with the manufactures and the mechanic arts."

This committee, which was composed of Isaac Tyson, Jr., and Christian Keener, of Maryland; William Parmenter, of Massachusetts; Edward Roberts and Thomas Bakewell, of Pennsylvania, reported that they were able to enumerate thirty establishments in the United States. The capital invested in those concerns, according to the best estimates that could be made, was \$1,158,000. The value of the articles produced was put down at \$1,000,000, the number of hands employed at 900, and the number dependent on them for support at 4,000.

There are now 1,346 establishments. By the returns of the tenth census it is found that this industry represents a capital of \$85,336,856, with annual sales of \$117,128,657; employs 29,435 hands; requires 586,089 tons of coal; and consumes materials used in the manufacture of chemicals to the amount of \$77,237,281.

It is thus shown from the correct figures of the census report that this hitherto unappreciated industry ranks, in fact, among the largest in the United States.

Representing as we do over thirteen hundred establishments, with capitals invested ranging from \$500 to \$5,000,000 in individual concerns, we feel fully assured of our right to demand impartial consideration in the adjustment of the impost duties on such articles as we manufacture.

While many of the industries represented in this Convention have, from time to time, published reports on the labor question, we believe that none have been made touching the chemical manufacture. Here are some figures as to daily wages paid in a Philadelphia factory, compared with those paid at St. Helen's, in England, by an establishment of similar character:

	America.	England.	Difference.
Acid makers.....	\$1.50	\$1.08	\$ .42
Firemen.....	2.00	1.44	.56
Ordinary laborers....	1.33	.84	.49
Furnace men.....	2.00	1.44	.56
Bricklayers.....	2.50-3.00	2.16	.34-.84
Carpenters .....	2.25	1.40	.85
Stone masons.....	2.75	1.92	.83
Fitters.....	2.75	1.44	1.31
Blacksmiths .....	3.00	1.20	1.80

If we compare this difference with the amount of wages paid by our industry during the census year, it will show an excess of \$7,554,900 paid in wages by the American over the English manufacturers of chemicals for the same amount of production, which is 8.85 per cent. of the whole capital, or 6.45 per cent. of the total value of the product.

The chemical business may properly be grouped into four classes, which, considered in reference to the payment of duties, are: 1. Paints and colors, including white lead, prussian blue, etc., say \$500,000. 2. Soda, embracing soda ash, sal soda, caustic soda, bicarbonate of soda, and other salts of soda, say \$1,000,000. 3. Medicinal preparations, oils, etc., say \$1,000,000. 4. Opium and other crude substances paying duties, from which chemicals, essential oils, etc., are made, giving a revenue of say \$1,000,000.

Thus it will be seen that the revenue from drugs, chemicals, medicines, paints, and colors is very considerable in amount. True, from some individual articles it is small, especially where the home production amply supplies the home consumption, but such is the case in almost every department of manufacture.

In the present tariff, we believe, there are about 430 articles included in the chemical product, drug, and dye-stuffs list. About 300 pay duty under \$10,000 each, 30 pay duty over \$10,000 each, and about 100 are exempt from duty.

The singling out of a great industry for exceptional legislation is eminently unjust, yet in the case of Mr. Wood's bill, and also that of Mr. Morrison, many duties upon chemicals were rescinded, while those upon agricultural products and manufactured goods in general were retained. We ask that manufacturing chemists shall be placed upon the same footing as their fellow citizens engaged in other industrial pursuits, whether agricultural, manufacturing, or mining. We do not ask for them favors denied to other manufacturers, or withheld from farmers, miners, fishermen, or lumbermen, but we simply contend for equal rights. As citizens and taxpayers we are at all times ready to do our full share to sustain the Government, and we feel justified in asking that the Government shall not discriminate against us.

In 1878 the members of the Manufacturing Chemists' Association of the United States were unanimous in regard to this matter and, while holding different views on the abstract questions of Free Trade and Protection, they all agreed that the policy for one should be the policy for all, and on this basis we stand to-day.



Mr. Morrison's excuse for singling out the chemical industry was that it would be necessary to begin somewhere, but we are of the opinion that the proper course to pursue is to make changes general and to apply one policy to all. A great deal has been said in regard to medicinal chemicals—that all duties should be removed from them because they are used by the sick and poor, and that they should be offered at very low prices. But what applies to medicinal preparations applies with at least equal force to all articles of general consumption, such as blankets and other woolen goods which are used by the rich as well as the poor, by the healthy as well as the sick.

The manufacture of chemicals is not so well understood as that of cottons, woolens, silks, linens, iron and steel, pottery, etc., and hence it demands more than ordinary care in legislation. The majority of people do not understand anything about the subject, and know absolutely nothing of the crude materials employed in the manufacture.

Even members of Congress, in their ignorance of this industry, have at times been disposed to put chloroform (which is an alcoholic preparation) upon the free list because, as they said, it yielded no revenue to the Treasury; but the fact is, it is made from a taxed crude material, and every pound of chloroform pays about 35 cents tax to the Government, yielding, in the aggregate, at least \$52,500 annually to the Treasury of the United States. Tannin or tannic acid, collodion, all ethers, santonin, strychnia, etc., really give large sums to the Treasury, while making very meagre returns in published customs statistics. In England all alcoholic preparations are dutiable where the foreign products come in competition with home manufactures in which taxed alcohol is employed.

Our industry was, at one time, seriously threatened by Hon. John Sherman, when Secretary of the Treasury, who recommended to Congress that all articles not paying at least \$10,000 revenue per annum to the Government should be placed upon the free list. Had this gone into effect it would have closed many establishments in this country now supplying almost the entire consumption of the particular description of goods manufactured by them.

Under such a ruling manufacturers of alcoholic preparations (strictly so called) would have been forced to stop, as they produce almost all that is consumed here, and pay enormous sums into the general Treasury, through the Internal Revenue Department, and yet the customs receipts are so small that they would all have come within the scope of the \$10,000 clause.

Congress should carefully consider all bills, and should not act upon them hastily, and especially should the greatest care be exercised against summary action by suspension of the rules in the House of Representatives, which cuts off all debate. Popular prejudice, most frequently very unreasonable, should never be permitted to have undue influence on legislation.

In the early history of this country objection was made to imposing a duty on nails, because it was said it would be a tax on real estate. Similar statements have been made about the duty on books, paper, etc., as being a tax on education. And so the cry was made against quinine that it was a tax upon the fever-stricken patient. The popular outcry against the duty on quinine was largely due to abusive newspaper articles. The clamor finally became so powerful as to result in the abolition of the duty on foreign quinine. The accompanying legislation was hasty and unjust. The rules were suspended, all debate was cut off, the measure put on its passage, and the act became a law to go into immediate effect.

The history of the freeing of foreign quinine from customs duties is an interesting one. It may be instructive as well.

The new members of the Ways and Means Committee in that Congress, although some of them apparently favored a removal of the duty, came to the conclusion, in looking into the matter, that they did not understand the subject as well as they should, in order to decide upon it. Consequently, the chairman, Mr. Wood, determined to appoint a sub-committee, into whose hands he intrusted the examination of the subject, with the request that they should report at the December session. The manufacturers were notified that this committee had been appointed, and they were requested, at a meeting of this committee, to lay before them all the information obtainable or desirable to enable a just conclusion to be reached.

The manufacturers agreed to give the committee every facility in their power to obtain from abroad various items of information which were requested of them, and invited the members to visit their works, to examine into their mode of doing business, and, in fact, were prepared to enter into the subject without stint or concealment.

It appeared, however, that the demand for free quinine had become epidemic; that the people in the South and West especially had been led to believe that they were taxed to an enormous extent by the duty on quinine; that while it was true the duty was only

20 per cent., which was far below the average rate imposed in the United States on foreign products, yet this 20 per cent. somehow about doubled the price, and they must have cheap quinine. Quinine was dear, and they wanted cheap quinine, and if they had not cheap quinine no other cheap alkaloid of the cinchona barks would fit the case, no matter how good, and cheap quinine they were bound to have, and all that was required was the removal of the duty. Some members of Congress admitted that it would be hardly safe to return to their constituents if they failed to vote for the removal of the duty.

Inasmuch as the Ways and Means Committee refused to report a bill at that time, and agreed to postpone further consideration of the matter until the following December, the next move was to ignore the Committee of Ways and Means, try to suspend the rules, and pass the bill without debate. The Free Traders had been beaten every time when the subject was discussed, so that the plan resorted to was to call up the measure in a slim house, at the very close of the session, cut off all debate, and hurry it through.

After repeated efforts a member who was entitled to a call on the Speaker's list, Hon. James W. Covert, of New York, made the motion. Many of the friends of Protection to home industries were away. It was understood that the Ways and Means Committee had decided to investigate the question in December, so no further steps were taken by those favoring the duty; but those opposed watched their opportunity, and remained in large numbers to push the measure if possible, and it passed by a vote of 155 yeas to 33 nays.

The bill was immediately sent to the Senate, read twice, and referred to the Committee on Finance. On the day following, and this was the last day of the session, after a short and one-sided discussion, on motion the Committee on Finance was discharged from consideration of the bill, it was read a third time and passed without a division of the Senate, and became a law as soon as signed by the President, to go into immediate effect.

This is a record of one of the most unjust pieces of legislation ever perpetrated by any civilized government.

No attempt was made to remove the tax from alcohol or the duty on soda ash, fusel oil, or East India barks, and the bill went into immediate effect.

But no legislation can turn aside the great laws of trade. Quinine was cheaper fifty years ago than to-day; it was cheaper

twenty-one years ago than to-day; it will be cheap or dear as the crude materials are cheap or dear, and Congress is powerless to prevent it. Congress may stop American manufactures, but it can not regulate the price of bark in South America and the East Indies.

In 1860 quinine sold here for \$1.20 per ounce, yet both barks and quinine were dutiable. In 1877 quinine sold in England for 16s. 6d., or the equivalent of about \$4.12½ per ounce, yet both barks and quinine were free.

The removal of the duty has greatly embarrassed the home manufacturers; handicapped as they are, they can not hope to compete with foreigners. About forty per cent. of the supplies now come from abroad; that much less is made here. The carrying trade in bark has been diminished. The Government has derived no revenue from the foreign quinia imported. The price has not been as low as it was twenty-one years ago. American manufacturers have been prevented from working at a profit. They have not been able to keep such large supplies on hand as formerly, either of barks or quinia. They have not been in a position to make contracts with the trade as of old. Prices have been less regular, and the consumer has not been perceptibly benefited.

At a meeting of the Western Wholesale Drug Association, representing the very best houses engaged in the drug business in every large Western city, held at Cincinnati on November 9, 1881, it was resolved, on motion of Mr. Arthur Peter, of Louisville, as the sense of the meeting, that a duty of ten per cent. should be levied on the salts of quinine. The motion was carried as representing the views of men who distribute more quinine than the dealers of any other section of the country.

What happened to the quinine industry may come to any other industry at some future time, and unless members of Congress, professing to hold views favoring Protection to home industries, are more consistent than they were about quinine, and unless manufacturers generally show a greater determination to unite for a principle, and less disposition to look after their special and individual interests, nothing will be easier than to pick off, in an unguarded moment, one industry after another, slaughtering them without debate by that peculiar process of "suspending the rules."

To show that this is not an imaginary danger we may refer to the fact that between January 1 and June 30, 1880, inclusive, there were offered in the House of Representatives 777 bills and petitions

for removing the duty from type, printing paper, and materials for making paper; 90 for removing the duty from salt; 22 for removing the duty from earthenware; 26 for removing the duty from periodicals, etc.; 34 for removing the duty from chrome iron ore and bichromate potash; and 4 for reducing the duty on steel rails.

Few departments of industry will be found in which chemical products are not utilized to a greater or less extent. Chemistry comes to the assistance of agriculture and furnishes, from the products of the laboratory, fertilizing materials to restore the wasted soil. The miner and engineer demand explosives to tear vast masses to pieces, and the chemist comes forward with his nitric acid and glycerine and shows them how the wonderful forces of chemical action will accomplish all that they require by the use of nitro-glycerine. The mineral wealth, piled up in vast subterranean storehouses, calls into requisition the products of the chemist's skill, and the acids and fluxes, to separate and purify the precious metals, are furnished from the laboratory.

Chemical products are indispensable in the manufacture of iron, if we would know how to deal with the crude metal in its conversion into wrought iron and into steel. In no department of industry has a greater impetus been given and grander results been achieved than in the manufacture of iron, and we may attribute much of this to the knowledge gained by the use of materials supplied by chemistry.

All branches of color-making—the manufacture of acetic acid for white lead; the chromates, from the native source of chromate of iron; the prussiates, from which come the various shades of beautiful blue pigments; and, of recent date, the development of a large and rapidly-extending industry, that of deriving colors, etc., from the coal-tar products—all these testify to the skill of the chemist and the diversity and importance of his vast field of operations.

The dyer needs colors and mordants; what would his craft be without alum and acids? The soapmaker would be a myth without his alkali. What would the textile manufacturer and the papermaker do without bleaching-salts? The glass manufacturer must have alkali, and the potter metallic oxides, to glaze their wares and to decorate them in the attractive style of modern ceramic art; and it is chemistry that furnishes all that they ask for.

It is the chemist, too, who has explored, investigated, examined, analyzed—everywhere and everything, whether animal, vegetable, or mineral, to draw from their hidden resources remedies to comfort

and relieve the sick and the suffering. Patiently and with student-like devotion he has toiled, and the results of his labors have been unsparingly offered for the benefit of mankind.

The Secretary next called upon the pottery industry, for which Mr. R. H. Taylor, of Ohio, responded.

ADDRESS BY MR. R. H. TAYLOR.

MR. CHAIRMAN AND GENTLEMEN : I stand here representing the most intelligent and the most interesting of the arts—an industry that as yet in this country, in its commercial sense, is in its infancy. Notwithstanding it is but twenty years old, from its history can be drawn every lesson and every argument that can be made in favor of the Protective principle, and as showing itself to be built up entirely by Protection in the quantity and the quality of the labor entering into the manufactured articles. Although the first pottery to manufacture white ware in America was started within our own memory, we are to-day manufacturing better pottery than England did then and does to-day ; and we are selling it for twenty-five per cent. less than we did then. Yet we have an industry but in its infancy. To what it may go no man's imagination can depict ; but the products of the works of Sevres, or of England, or of Berlin, are not superior to what can be manufactured in the United States within five years. The experience of the Tiffanys in manufacturing fine gold and silver ware can be duplicated at any moment, when we get a chance to put our hands on the finer pottery. I hold in my hands a paper which gives the prices paid in Staffordshire and in America, and they show that we are paying, say under a forty per cent. tariff, more than double the wages paid in those Staffordshire potteries ; and, taking an assorted crate of ware laid down in New York, it is established that our proportion of the cost of the wages employed in its production is very largely in excess of the cost of labor in the Staffordshire potteries. What we want is a Protective tariff based upon the wages of labor. That is the kind of a tariff that the potters of America are asking for. They want to get that. They want no more.

The articles that enter into the manufacture of pottery of every grade are to be found in every State in the United States ; and just as soon as we can create a demand sufficient to mine those articles we will have better materials at hand, and then we will be prepared for a material improvement in the quality of our wares. It

is the testimony of the best English potters, forced from them in their arbitrations with their workingmen, that there is not an article in America that enters into the manufacture of pottery, down to the fuel, that is not superior to anything the English manufacturer has for years used in the manufacture of his ware. But we must invest in so much expensive machinery, and we must put so much money in works to protect us from the weather and from the inclemency of the seasons, that it therefore costs us a much larger percentage on the manufacture of our pottery to get the same quality than it does the English manufacturer. That is where the English pottery ware has the advantage, and that is why we need Protection ; but give us a few years more, and give us a fair show, and we will demonstrate that the United States can equal in quality the best pottery that ever was produced upon the face of the earth, and I know whereof I speak.

The Secretary then called upon the flint and lime glass industry, for which Mr. John Adams, of Pittsburgh, responded.

#### ADDRESS BY MR. JOHN ADAMS.

MR. CHAIRMAN AND GENTLEMEN: I rather like this mode of discussing a question. I want nothing better than to go to our own experience a quarter of a century ago, and compare our condition then with what it is now. Those who were in the glass business twenty-five or thirty years ago will remember the troubles they had, and they will remember the long stops they had, year after year. They will remember the time when goblets and tumblers and all articles of glass we used were made abroad and laid down here cheaper than we could make them, owing to the low rate of wages ruling in foreign countries. I remember the many prayers that were sent to Congress on the subject that were never heeded, or, if heeded, were of little or no avail, until circumstances compelled Congress to put a tariff on foreign articles, thereby saving those of us who had not been bankrupted.

It is the prevalent opinion among some that when a tariff is made prices are always kept up, and that a tariff creates a monopoly. Let me tell you a little of my experience in the glass business in relation to that subject. I remember that at a time when we had a very low tariff goblets were sold at a dollar and a quarter a dozen, and then they were sent in here cheaper than that from Germany, Belgium, and France. After the war tariff was passed that, of course,

stopped. Then we could come in competition with each other, and we did so; and the result to-day is that you can buy a better goblet for fifty cents than you could then for a dollar and a quarter. That is the way the tariff works—and not only that. Then the workingmen were not making over \$12 a week, working steadily. To-day the same class of men will make from \$24 to \$26 a week, and that, too, in the common grades of glass which we are making. They can't touch us in that. They can not supply the millions. But in the higher grades of glass they can beat us on account of the low wages they pay in foreign countries. I suppose there are some articles still brought over on which we can not compete with them, as long as our men get twice the amount of wages which workingmen get in England, and perhaps three times what they get in Belgium and France. That and that only is the reason why they can still beat us when it comes to high-priced good table ware.

We do not want to have cheap labor. It is not the kind of labor that pays. We want our men to make good wages; and I, for one, would not live in a community where men could not get wages that would enable them to educate their children; where they can not enjoy all the social customs that other men enjoy; where a workman can not send his children to school; where he can not save money, but must be ground down in abject poverty like the workmen of England.

The Secretary then called upon the window-glass industry, for which Mr. Isaac Cline, of Pittsburgh, responded.

#### ADDRESS BY MR. ISAAC CLINE.

MR. CHAIRMAN AND GENTLEMEN: As a representative of the window-glass workers, I am glad to have the privilege, for a few moments, of speaking to such a body of gentlemen as constitutes this Convention. I represent a constituency of the window-glass makers in America that will get up at the hour of midnight, if necessary, to support Protective tariff measures. I am not here to ask this Convention to advocate any special protection for us, but simply to say we desire that there will be no further evasion of the collection of duties on window glass. From January 1, 1880, to January 1, 1881, about 150,000 packages of window glass have been landed in the city of New York, independent of plate and polished glass. About 97 per cent. of this glass was made in Belgium, where a higher rate of wages is paid for blowing cylinder window glass than



in any other country in Europe, and nearly equal to the wages paid in our own country. We therefore ask why it is that Belgian glass can be put down in the city of New York, excluding all other European glass, or nearly so, and put upon the American market cheaper than window glass can be made here.

We have the best glass makers on the face of the earth, and if the duty on cylinder-blown glass were properly collected, and the law not evaded, we could keep the sixty odd window-glass factories in America going at least ten months in the year, whereas now, or in the last ten years, we have averaged but a fraction over seven months in the year.

There is more glass imported than we make, and we do not think that such a condition of affairs ought to exist. We can make a greater quantity out of the same material than any other country in the world. All our men ask is steady employment; and we know that when we have a Protective tariff we can give them steady employment from the fact that window glass is constantly in demand in a growing country like ours. We have a class of men in the window-glass trade that we call intelligent men, men with right minds, who look directly at their own interests, and will work according to their own interests, and yet at the same time they stand ready to help and protect every other American industry.

The Secretary then called for the representative of the general farming interest, and Hon. J. B. Grinnell, of Iowa, responded.

#### ADDRESS BY HON. J. B. GRINNELL.

MR. CHAIRMAN AND GENTLEMEN: I have come twelve hundred miles to represent as well as I could, in connection with ex-Governor Merrill, the State of Iowa, which sleeps between the father and mother of waters, and which raised last year nearly 275,000,000 bushels of corn. I am a Protectionist. I have a paper at home—the commission that Horace Greeley gave me when he said, “Young man, go West.” In memory of that great and good man I have always been a Protectionist, and expect to die so. I come with my greetings to the manufacturers of the East and to the planters of the South; and the man who made the best speech I have heard in this Convention, and a better one than I ever expect to hear in New York again, was a rice planter from Georgia, who has all the knowledge of a Southern statesman and the zeal of a new convert.

Now, we farmers in the State of Iowa want the men of the East

and the South and the North to eat our bread and our meat. We do not want a market in Liverpool or in Manchester, but we want our food to be consumed by Americans, under our own flag ; and I say to my friend from Georgia, " Forever float that standard sheet ! "

Now, we want a Tariff Commission. I have no time to make a speech on this subject ; but when we made this present revenue tariff I was a member of Congress, and I never forgot that I was born east of the Hudson river, and owed Protection to our own country. We have grown some since that. When the war broke out Iowa had two members of Congress. Now she has nine ; and if you do justice by her she will have twelve. Then the State of Iowa was a producer of flax ; and let me tell you that to-day 140,000 tons of flax are rotting on our prairies because you let that miserable jute come into this country free of duty ; that rotten concern that gets into your carpets and into your clothes, and has no more wear in it than moonshine. I voted for \$28 a ton duty on steel rails, in good faith. I am not opposed to the duty on steel rails now, but I ask the steel men in good faith to enlarge their family a little. I know the enterprise is but an infant ; but I know the children are healthy. And we not only want them " healthy, wealthy, and wise," but we want more of them.

I am in favor of a Tariff Commission. I want a tariff to be made when the West has representation. When the present tariff was made the West had no representation. Nebraska and Kansas had but five members, and California and Minnesota were scarcely represented at all. As to Minnesota, half of the Eastern people did not know where she was on the map. Go there to-day, carried there over some of the finest railroads in this Union, and you will find the city of St. Paul with fifty thousand inhabitants, the city of Minneapolis with sixty thousand inhabitants, and the State with five representatives in Congress. And they want to come in and take part with you in this tariff revision. They want Governor Bullock of Georgia, and Colonel Scriven, the eloquent rice-planter, and my other friend, General Warner, from the South, who was so unlucky as to be born in Ohio, to come along with them. We of the West want to take them all in together, and sit down, and talk over the tariff matter, and have a fair and honorable adjustment. We can not leave out these Southern States. I know they were out once, and they gave us constant employment to get them back ; but now they are back, and we want them to be in full harmony and co-operation with the farmers of the West.

I will tell you who else we want in partnership! I do not want to introduce politics; but you have all heard of Governor Hendricks, of Indiana. You have all read the *North American Review*. I do not want to advertise it, but you have all heard of it; and you have all heard of Daniel W. Voorhees. I have heard "the tall sycamore of the Wabash" denounce American manufacturers with more sarcasm and more invective than I ever heard or expect to hear anywhere this side of where they do not cover up the fire at nights. But he has become converted, and is taking his place in line, and now we have a band of men who have come out from the Bourbon castle, and enlisted in our army, and I not only want to call them noble brothers, but I want to put these converts in the front. I want to give them a good, easy place, so that they can take philosophy and true tariff doctrine back to their former associates, and convert them too. Fernando Wood is dead. I do not feel glad of that; but I do thank God that he is not the chairman of the Committee on Ways and Means. I believe he has gone to his long home, and, if he has gone where I hope he has, I believe he has changed from being a Free Trader to being a Protectionist.

I want all these gentlemen to come in. I want them to have a part in this matter. We are wiser now, and we can talk better than we could ten or twelve years ago, because we know more; and we want all our friends to have full conference with us, and we want the sympathy of our sister republics. I do not desire to trespass upon the time of the Convention, but I would like to mention a name which I have not yet heard in these proceedings, for I have a family at home in which the French language is spoken, and in which his name is a household word. I call your attention to the great chief minister of the second republic on earth, the minister of the most powerful and most prosperous nation on earth, the French nation, and when I say that I need not tell you that the name upon my lips is that of Leon Gambetta. He is as much of a historic character as was James A. Garfield or Abraham Lincoln. He came from the people; he has gone over this entire subject; and he is a Protectionist.

The time is auspicious for this Commission. There is no Presidential convention to be called; and there is no Presidential election to excite political passion and prejudice. The time is auspicious for thought and consideration, with all the elements for intelligent discussion at hand. The workingmen, the artisans, and the farmers are all waiting to speak; and they should be heard.

We, representing the farmers, desire to be heard, claiming that we have full right and share in the protection of the material industry of the country. Napoleon, when he mentioned the powers of the earth, mentioned agriculture first, and said that all the rest were satellites around that great sun of prosperity. I leave you, gentlemen, with that sentiment, assuring you that agriculture is allied with all our industries for Protection.

The Convention then adjourned, to meet at three o'clock.

#### AFTERNOON SESSION.

Hon. R. B. Bullock, of Georgia, presided over the Convention on Wednesday afternoon. The unanimous consent of the Convention was given to Hon. J. Hart Brewer, of New Jersey, to deliver an address on the pottery industry.

#### ADDRESS BY HON. J. HART BREWER.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: I do not believe it necessary to attempt to convince any thorough American of the necessity of giving native industries adequate Protection. The only question it seems to me necessary to decide is, what is "adequate Protection?" The conditions of producing countries always determine this. It will be my province to-day, as a manufacturer of pottery, and on behalf of that industry in the United States, to set forth briefly *why* it is we have not adequate Protection, why we need the fostering care of the Government, what the industry is, when and how it originated, its present magnitude, and what reasonably may be expected of it.

The archæological discoveries of every age, and especially in these latter years, all draw especial attention to this truly art industry; the nation's taste and curiosity are aroused upon this subject. No industry, in its relics handed down, illustrates the condition of the civilization producing them more truly than forms and figures in pottery. And while to-day almost every household in this country can produce an amateur in the decorative art—while we have a public sentiment in favor of developing this art industry on this continent, we must not lose sight of the dangers ahead and the obstacles to be overcome.

No one at all familiar with this subject will contradict us when we assert that we have the most difficult of practical problems to

solve, the most complicated industry to master. The developing and analyzing of raw materials, the complications of compounding and firing, with the unavoidable and incident loss, stamp it as the most tender of all the arts. We find in sacred and profane history that every nation, in order to develop it, has made it the object of its protecting care and solicitude. No matter how rich or cultured the nation, this industry has been thought so expensive to master that no individual could afford to pursue the devious courses of loss and experiment; so that by royal patronage and government protection has it been nursed to life and beauty. In Job we read: "Jokim and the men of Chozeba and Joash and Saraph who had the dominion in Moab. 'These were the potters,' . . . there they dwelt with the king for his work." Even at that early day did this industry receive royal patronage.

So in these modern days have the governments of Europe thrown around this art the mantle of their protection.

England first made Wedgwood potter to the queen, and bestowed unlimited royal favors upon his works, protecting for years with absolute prohibition the introduction of pottery from other countries. But when in 1851, at the London Exhibition, she found France leading her in the art, she came to her own relief by endowing art schools at an annual expense of about \$500,000. With this encouragement, when next she compares her products of art with France, at the late Paris Exposition, again does she excel; again has she succeeded in retaining her market; again has she increased her export trade. The following extract from the *Staffordshire Advertiser*, of November 5th, will show three things—why England fosters this industry at home; why she has such a tender solicitude for her markets in the outside world, especially in the United States; at the same time this extract reveals the fact that American competition is keeping their prices down.

"On the whole, the work-people have been fairly well employed, many of the manufactories having been going full time; and, while there has been a good demand for the best class of goods, the articles made for the million have, in too many instances, had to be sold at prices which could afford no remuneration for capital. The year 1880 closed with a largely-increased amount of business done with the United States, whose markets received nearly half the china and earthenware exported from England during that year, the declared value of the ware being £903,515, and a total value to all countries of a little less than two millions sterling."

No wonder English manufacturers and their American agents want the duties lowered so that our artisans can not afford to work here. No wonder they desire our mechanics' wages reduced below the average of other trades. An industry able, without being fully worked, after manufacturing its own supply for a nation of 30,000,000 of people, to export £2,000,000 sterling, or say \$10,000,000, is worth endowments of art schools—is worth money, effort, duplicity, in order that England may "educate" her customers up to her standard of belief about the value of agriculture.

But England is not the only nation looking after her trade in this line. France has her government potteries, with her art schools and laboratories; other European and Oriental nations foster and protect the industry; all showing that every age and every nation has regarded this art of all others as the most useful and the most difficult.

The first thing to be considered then is this: Have we the raw materials necessary to the development? I answer, Yes, in great abundance and in endless variety. We have also the labor largely necessary to insure success.

Our advantages for pottery development have been known since 1765, when England's great Wedgwood wrote to Sir Wm. Meradith: "Permit me, sir, just to mention a circumstance of a more public nature, which greatly alarms us in this neighborhood. The bulk of our particular manufactures are you know exported to foreign markets, for our home consumption is very trifling in comparison to what is sent abroad; and the principal of these markets are the continent and islands of North America; for the islands we can not make anything too rich and costly. This trade to our colonies we are apprehensive of losing in a few years, as they have set on foot some potworks there already, and have at this time an agent amongst us hiring a number of our hands for establishing a new potworks in South Carolina, having got one of our insolvent master-potters there to conduct them. They have every material there equal if not superior to our own." And then says the author of *Wedgwood's Life*, Metyard: "Mr. Wedgwood would have smiled at his own fears had some one told him that at the date of a century from this period of his writing thus our export trade in earthenware with America would be multiplied a thousandfold, and one to which the manufacturing firm he founded still contributes." Here then have we had unused in the earth for over a century, in almost every State in the Union, simply for want of governmental pro-

tection, the prolific germs of an art at once useful and ornamental.

One of the most significant facts in this connection is that nothing but futile and feeble attempts were made in this country, from early colonial days to 1860, to build up the industry under the inadequate tariff Protection afforded—in 1789 of 10 per cent., changed subsequently to 15 and 17½ per cent., in 1812 to 35 per cent., 1816 to 20 per cent., 1842 to 30 per cent., 1857 to 24 per cent., 1861 to 25 per cent., 1862 to 35 per cent., 1864 to 40 per cent. on plain white granite; in 1874 to 50 per cent. on decorated china, and 45 per cent. on plain china; nor was the business ever a commercial success in any instance till the laws of trade during and at the end of our great civil war created a demand for gold to pay for what we bought abroad. Then were we the children of chance, not of wisdom and foresight; no 40 per cent. or 50 per cent. protection could build up in this country an industry where we pay 100 per cent. more for labor, especially so in this industry where at least 90 per cent. of the cost of goods is labor. In the high rate of exchange were we afforded adequate Protection. Timid capital made the venture, labor was brought out from hidden places at home and abroad, and to-day we have as a result an industry manufacturing \$5,000,000 worth of goods from American materials by English, Irish, Scotch, and German American citizens. We better their condition in every respect a hundredfold, and sell their productions (and force foreign manufacturers to do the same) to the consumers of the United States at least 40 per cent. cheaper than we could buy them from England under a 24 per cent. duty in 1860. Here is a sample industry to prove that Protection to home industry lessens prices. Besides, every dollar that labor creates is so much additional wealth to the nation. True, we are usurping the market of our brethren across the water. True, we have created works producing about one-half the consumption of the United States. English potteries are slack, some of them; their prices lower and lower; the demands upon their labor greater and greater. But what is that to us? Let us take advantage of our position, and, instead of forcing ourselves to a position where we must crowd our labor, rather let us place ourselves in a position where we can advance it. Adequate Protection to us means in less than five years a product of \$10,000,000, and that to the exclusion of the foreign product, and the best of all the results will be that American consumers will get a better and a cheaper article than ever before.

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Is there not business in this for American law-makers? Should we make laws for England or America? Will we not be busily employed? Will our laborers not be well paid, well clothed, well educated, contented, and happy? Twenty years of progress and Protection have shown the people of this country that we can have to sell more than we need to buy if we protect our own mechanical industries. We see that we are making money, that we are accumulating wealth as a nation, that we are becoming more cultured and better educated. In short, that we can take care of ourselves in our own way.

The war and its results in addition to our present tariff protected us for a time, but now we must have help. No one will claim that the manufactures of this country could live unless the Government protects them. Now what does the cry of Free Trade mean? It means but one thing—wages on a par with foreign wages. That won't do; the conditions are not equal. Shut the factory then; blow out the furnace-fires. And to workingmen it says, "Go to farming." Who wants this state of affairs? *England*. Why? Because she would kill her American competitors in manufactured goods, raise her own prices there, drive us all to farming, create a glut of farm products, and then buy grain at her own price. But, thank God, we have here a government where the farmer, the mechanic, and the workingman can settle this question for themselves. We are Americans. Let our law-makers understand it. Protection may have been more or less an experiment in years gone by, but now by the light of experience and actual experiment we know which is the best and nearest road to public health, refinement, and national greatness. Now, in every emergency of a nation's growth, where adverse currents threaten, so-called reformers come to the surface. They float there as naturally as dry pine on the surface of the flowing river. But they are not reformers; they are only the advance-guard, at the front by accident. They happen to be in the front ranks of the people and going the same way. The masses are the true reformers, and we are here to-day only as an advance-guard. Placed then as we are in the front ranks, fighting this great commercial battle for American labor and for great and diversified industry, let us do our whole duty; let there be no break in the line; let us protect and support the weak; let us be honest with each other; let us ask for only what is fair; let us be patriots; let us be men.

But to speak more directly as to the pottery industry. Here we have an industry still in its infancy—an industry whose every step



we can all remember—whose creeping, tottering, walking, running, staggering steps will, in spite of theories foreign born, present the most irrefragable proof of the efficacy of the doctrine of Protection as applied by the American Congress of 1861.

In 1861 this pottery child was a red and yellow piece of earth, a helpless infant. To-day it is a full-grown man, able to cope with all the world, conditions made equal. In 1860 the duty was 24 per cent. on regular cream-colored and white granite goods; to-day the duty is 40 per cent. I find by actual invoices from an old jobbing house in New York that goods are cheaper to-day by 40 per cent., taking into consideration the increase in sizes and in quality of goods.

I am often asked the question, "Don't you think you are getting too many potteries in this country?" My answer always is, No, the more the merrier. It is with a growing industry as with all things else—necessity knows no law. When competition in plain goods brings the price down below a living profit, trade stretches out its feelers and twines around a higher and more ornamental branch. So the tree of beauty climbs. Art grows this way, by labor, of necessity. It only can come through experience, wealth, and culture.

No one should fear home competition; the only thing that kills, absolutely annihilates, is foreign competition unchecked by protective laws. Home competition creates new fields, new products, higher grades, so that all can live, with adequate Protection. Now the difference between the cost of labor here and abroad is not the difference between Free Trade and adequate Protection. This can only be determined by actual experiment. We have, beyond all doubt, determined, the past year, that 40 per cent. duty on earthenware, with English manufacturers pushing for the American market at ruinously low prices, is not adequate Protection. When an industry ceases to be remunerative the duties are inadequate, or trade is in an unhealthy condition. Foreign manufactures created by cheap labor dig up the roots of American trade and of American labor, and the tree dies and makes room for some other order of life. The same in manufactures as in the vegetable world: the universal struggle for existence permits only the fittest to live; conditions determine which shall grow.

The question for us to solve is this: Shall we create the conditions? Shall we shut out by law the seeds of carrot, of thistle, and, worst of all, the productions of the poor and hungry army-worm of cheap labor?

I believe that whenever this question of revision is reached, so far as pottery is concerned, whether it be before the Ways and Means Committee of Congress or a Commission of civilians, that we will be treated fairly. We ask from each interest here represented to-day its support, and in return we are prepared to aid it in anything that is just and equitable. I feel that the people intend to keep this tariff question settled for long years to come, and that it will get more settled each year, as the vast and sunny resources of the great South and West develop. In this country we have no standing armies costing hundreds of millions of dollars yearly to support. But we have a grand army of workingmen to protect against an enemy who has had control of our markets for over a century. Let us protect them so thoroughly that we can have the balance of trade in our favor for the next century, when we will have on this continent the richest, the grandest, the greatest, the freest nation on earth.

The Secretary then called upon the charcoal iron industry, and Mr. G. W. Moore, of Michigan, responded.

#### ADDRESS BY MR. G. W. MOORE.

MR. CHAIRMAN AND GENTLEMEN : Josh Billings gave a very concise statement of what ought to be done in a general discussion by a speaker, when he said that if a preacher could not strike oil in twenty minutes he had either a poor auger or was boring in the wrong place. I think I can in five minutes say all to you that I want to say. In the first place, the charcoal iron industry represents an important part of the iron industry of the United States. Its production alone is about half a million tons of iron. In Michigan there is no other kind of iron produced. It is all charcoal iron; nothing else. The charcoal pig iron industry has been a very important one. It is a pioneer in all the other industries; and where you find a charcoal iron furnace started you will find a Protectionist's head centre. You can hardly go to a charcoal iron district that you will not find an overwhelming vote in favor of Protection. Nay, more; I am told that in Alabama they have made several new Protection headquarters around the furnaces that have been started since the war. In Virginia I am told that they have even succeeded in controlling a majority of the Congressional delegation in that State, and that in the coming election two other districts will

be gained, by force of that and other industries, so that we will have old Virginia, the mother of States and statesmen, with a strong, steadfast, stalwart, Protective delegation.

I wish to say a word about the tariff on pig iron: All the tariff we ask and all we want is to enable us to pay to our laborers the wages we are now paying. We do not ask for any more protection whatever; but we do ask that the present tariff will not be changed. Before this Convention met I wrote to a large number of iron workers in the United States, and received answers from Pennsylvania, Alabama, Ohio, Missouri, and elsewhere, and it appears that the cost of labor in the making of charcoal iron is \$16 per ton more than the entire cost of any iron which is produced in Great Britain. And that is true. But more; the rate of wages paid to our miners is largely in excess of the rate of wages paid for the same labor in Great Britain. In England the miners who work in the pits receive from 60 to 72 cents per day. In our pits, in this country, our plain laborers are receiving \$1.40 per day. All that we want is tariff enough to enable us to balance this difference, and keep our laborers from being reduced to the level of the laborers of Great Britain.

And now as to the effect of Protection upon the industry; and excuse me if I am slightly personal in this matter. Two years ago, just before the advance in pig iron, a party of us thought we saw a profit in the manufacture. We purchased a blast-furnace site, and went to work. The country around was very sparsely settled, with only a house here and there, and with but little means of communication with a more thickly-settled neighborhood. The industry was just prosperous enough to give us a little profit; and we started with a population of 200 in the village. We have since then spent \$125,000 for wages alone. We have spent over \$40,000 for freights. We have bought merchandise to the extent of \$100,000. And all of this has been paid for, and all of it has been the result of the Protective tariff, without which we would not have dared to make the attempt. We have furnished an industry where there was none before. We have employed labor where before it had no employment. We have paid wages at the rate of from \$1.25 to \$3 a day. We have furnished a market for the lumber of that neighborhood. We have cleared over two square miles of timber. We have enabled our people to pay for all that they bought; and have made a profit for ourselves. I think that covers the ground.

We have had some experience with legislatures; and no member

of any legislature can find the time during any legislative session or Congressional session to properly inform himself before legislating upon industrial subjects. It must be done by a body of experts selected from the industries interested. It can be done in no other way. In regard to Michigan, you may have heard that there was such a State; but not a very long time ago there was a surveying party sent out to that territory to report on the fatness of the land, and they went out, looked around them, came back, and reported that it was not fat. They reported that it was a swamp, and only fit for the propagation of Indians, malaria, and mosquitos. We last year produced the largest amount in value and the second amount in tonnage of iron ore in this country. We produced nine-tenths of the copper that was mined in the United States. We produced 3,000,000,000 feet of lumber. We will produce this year over 12,000,000 bushels of salt. Our grain stands at the head in quality. And we have nothing but Protection, as we claim, to thank for this; and Michigan is solid for Protection every time.

I have certainly said enough to you; but I do not feel like leaving the subject without imitating the example of my poetical friend who spoke yesterday, and dropping into poetry myself. Therefore I say, not in the language of the Psalmist,

From Superior's iron mountains,  
From Huron's sawdust strand,  
From where Calumet and Hecla  
Pour out their copper sand;  
Protection, oh! Protection!  
Let every one proclaim,  
Till every quarter-section  
Shall know the tariff's name.

The Secretary then called upon the lumber and salt industries, and Mr. Giles B. Stebbins, of Michigan, responded.

#### ADDRESS BY MR. G. B. STEBBINS.

MR. CHAIRMAN AND GENTLEMEN: On behalf of our delegations I would say that we fully approve of a Tariff Commission, to be made up of practical men representing different industries, who shall take time to visit leading points in different parts of our country, gain personal knowledge of the condition, wants, and interdependence of our varied occupations in mine and forest, in mill and factory and on the farm, and so make a comprehensive and

just report to Congress of a schedule of customs duties, which shall give fair Protection and needed revenue, and shall be a basis and guide for wise national legislation.

Personal attention for some years to such legislation in Washington has convinced me that want of time and of practical knowledge make it about impossible for members of Congress to look over this ground, and some of our best Congressmen feel this, and will welcome the help of a Commission to check fragmentary tariff-tinkering and give scope for wisdom and stability in their final adjustment of duties on imports, in place of a shifting and uncertain policy, injurious and paralyzing to all industrial enterprise or financial independence.

Let us look briefly at a few facts that such a Commission could get in Michigan, and with these they would get much else which can not be given here.

Our Michigan lumber product in 1880 was 3,000,000,000 feet, worth \$36,000,000; our salt wells yielded 3,000,000 barrels of salt, worth \$2,700,000. About 50,000 men are employed in lumber mills and camps, whose wages aggregate \$25,000,000 yearly. Canada is only separated from us by a river and a lake, yet our lumbermen's wages are twenty-five per cent. above those paid in that country.

Our fifty thousand lumbermen receive yearly \$6,500,000 more than would be paid Canadians for the same work at home. The duty of \$2 per thousand feet is nearly an equivalent for this difference in wages, and this moderate Protection makes us able to pay these added millions to our workmen each year, to keep millions more from being sent abroad, and meanwhile nobody is taxed for our benefit.

Our lumbermen buy yearly of our farm products \$8,000,000; of our home mechanics and manufacturers \$7,000,000; making a home market for over \$15,000,000 of our productions. The lumbermen of Wisconsin and Minnesota pay the farmers over \$5,000,000 yearly. Here is the interdependence of farm and mill, to mutual benefit. The same is true of our great salt production.

The iron ore production of our Lake Superior region exceeded 2,300,000 tons last year, worth \$12,000,000, and employing 7,000 men; the copper product was 30,000 tons, worth \$12,000,000, and employing 8,000 men. These 15,000 workmen are paid an average of over \$2 per day, or double foreign wages for like work. Reach out into transportation by ship and rail, and a thousand vessels and a host of busy men spring up.

Our wool growers have their product of 12,000,000 pounds, worth \$4,000,000, and our manufacturers work up enough of this at their doors to reach \$3,000,000 yearly. Time fails to sum up other industries such as iron, shipbuilding, farm implements, staves, and many notable sundries, and last, but not least, our farm products; but this much will show the common interests of industry, and the benefits of Protection.

The Convention then consented to hear Hon. Lewis D. Hawley, of Syracuse, New York, also in regard to the salt industry.

#### ADDRESS BY HON. LEWIS D. HAWLEY.

MR. CHAIRMAN AND GENTLEMEN: The manufacture of salt in the United States last year reached thirty million bushels, lacking 150,000. The importation of salt, according to the general idea of the consumption of salt in the United States, must be in the neighborhood of 20,000,000 bushels, for it is a conceded fact, generally understood, that about a bushel of salt is needed yearly for each person in the United States, and, there being 50,000,000 inhabitants and 30,000,000 bushels of home production, there must be imported about 20,000,000 bushels. The Government reports show that the revenue from the duty on salt is from \$600,000 to \$700,000 per year. Perhaps that is true. That would give about 16,000,000 bushels of salt imported, which would make 46,000,000 bushels of salt used. I think it is more, and perhaps there has been some clandestine, underhand importing of salt of which we have not the data. I wish to remark that under the old duty on salt we yearly received \$1,300,000 of revenue, and the importation was substantially 13,000,000 bushels. According to the reports from the Bureau of Statistics, the importation would now be about 16,000,000 bushels, thus losing in duties from \$600,000 to \$700,000 a year; and in the decade since the last lowering of the tariff on salt there have been some \$6,000,000 or \$7,000,000 lost in revenue to the United States Government. We do not ask for excessive Protection. We are satisfied with a duty that will secure us a just profit, and that is all we ask, but I question whether we will even get up to that. But our plan is to reduce the internal revenue, and make up that revenue from foreign imports, thus making the foreigner pay our national debt and all the expenses of our Government.

The Secretary then called upon the beet-sugar industry, and

Messrs. Lewis S. Ware and Robert Grimshaw, of Philadelphia, presented the following paper.

PAPER BY MESSRS. WARE AND GRIMSHAW.

MR. CHAIRMAN AND GENTLEMEN: In the present condition of our commerce sugar is the greatest imported commodity, and to that so-called luxury we should give our first thoughts. In the South the total sugar made in 1880 was about 200,000,000 pounds, while our total consumption was about 2,000,000,000 pounds. Thus, in round numbers, we rely upon other countries for nine-tenths of all the sugar we consume, at a present annual outlay of nearly \$100,000,000. Whatever occurs, the Southern production is ample for Southern requirements. By present treaties with the Sandwich Islands their sugars enter our Pacific ports free of duty, thus practically rendering the Western markets independent of the South, while under the present conditions the Northeastern States have nothing upon which to rely in an emergency. Is not Northern sugar production desirable? Napoleon I. foresaw the importance of protecting France, from a sugar point of view. "His method," said the great Thiers, "thrice saved the country from ruin." We propose that America follow it, ignoring the unknown future and examining the present conditions of our sugar-growing interest. We notice that in our ninth decade 28 pounds of sugar *per capita* per annum were consumed, while, from the present appearance, by the end of the eleventh decade it will be over fifty pounds (this is ten pounds less than the consumption to-day in Great Britain). If our production at that time is only one-fifth of the consumption, or three times the present production, barring unforeseen circumstances, it would be only 600,000,000 pounds; leaving 2,400,000,000 pounds to be imported. This would be worth, at 7 cents per pound, \$168,000,000, sufficient to give yearly employment, at one dollar a day, to 600,000 men; giving our own population the benefit of that home circulation of bullion. Such are the possibilities of the beet-sugar industry ten years hence. If we examine into the present consumption, importation, and exportation of sugar, we find that we consume 1,601,200,417 pounds of foreign origin, and only 198,945,420 pounds of domestic production, representing a total of 1,800,145,837, say 38 pounds *per capita*. In 1880 we imported 1,829,302,684 pounds, and exported 10,498,202; the difference between imports and exports being 1,818,804,482 pounds, of a total value, including foreign duties, of \$118,749,-

743. The home production as compared with our population is considerably less than it was before the war; for then, with a population of 30,000,000, it was 302,299,105 pounds, or 10 pounds *per capita*; while in 1880, with a population of 50,000,000, it was but 264,000,000 pounds, or 5.2 pounds *per capita*. This may, no doubt, seem paradoxical, but is true. The levees, which before the war protected the Louisiana plantations from the overflow of the Mississippi river, have in large part been destroyed. They could not be rebuilt for millions, perhaps hundreds of millions, of dollars. If we examine the sugar production of other Southern States than Louisiana we will find that in South Carolina there has been an immense falling off in ten years, while in Mississippi it is now but nine-tenths of what it was twenty years ago. In 1860 the production in Louisiana was one-third of the total consumption in the United States; to-day it is much less. Yet our gross consumption of foreign sugars has more than doubled in twenty years, being, in 1860, 660,777,673, and in 1880, 1,601,200,417 pounds. The consumption of home sugars has consequently decreased nearly 1,000,000,000 pounds. Such are the extraordinary fluctuations of our most important commodity. Is it not imperative that we look before it is too late to some other source than the cane for our sugar supply? Many of our sugar refiners and brokers, whose principal trade is carried on with Cuba, etc., offer considerable objection to home sugar production, but we fail to see how their interests would be in any way impaired.

The question of transportation from foreign shores and the placing of sugar upon the market at the most desirable time are items that should not be overlooked when this sugar question is discussed. With the sugar beet, for example, refined sugar might be produced from the root and placed upon the market at least one month earlier than either foreign or domestic cane sugar, thereby realizing the greatest profit at the season when sugars sell highest. The importance of having a minimum freight upon a merchandise is indisputable; yet in the Southern States the sugar cane can never fulfill this condition, and climatic conditions do not permit the maturing of the sugar cane in the South until at least one month later than the sugar beet in the North. In European countries, where these difficulties were realized, they sought some other plant than cane for supplying their home sugar. Many were resorted to in 1800; sorghum and maize were tried, but attempts at their utilization were soon abandoned. But the sugar beet furnishes to-day



nearly one-half the sugar of the civilized world. Many assert that beet-sugar making in this country is impossible, basing their assertion on past failures, without looking to their causes. Efforts were made to introduce beet-sugar making into the United States as early as 1829, a factory being established in Livingston county, and subsequently removed to Stevenson county, Illinois. In 1869 the German Beet Sugar Company was organized at Chatsworth, Illinois. In 1866 Fond du Lac, Wisconsin, had a factory, which was moved to Alvarado, California. In 1870 the Santa Clara valley establishment, California, was organized, but this was moved to Black Hawk, Wisconsin. In 1878 the Portland, Maine, factory was started, but it has been divided up—south, east, and west. In 1879 the factory at Franklin, Massachusetts, was established, and we now hear rumors of moving it to Schenectady, New York.

Throwing aside our possible personal prejudices in favor of the beet-sugar industry, we appeal to the American people for fair judgment on these failures. It is rational to suppose that if these so-called beet-sugar factories, organized, in nine cases out of ten, by those not having the slightest idea of the requirements thereof, and failing in consequence, had been started in Europe by the same persons, and with the same limited capital, they would there have met with the same results. We can not here in a few lines recall the whys and wherefores, but will only say that all future establishments of this kind started with a capital of less than \$200,000, or far from the centre of demand, or where water and fuel are not cheap and abundant, or where the technical manager does not understand in every detail the workings of the establishment, will inevitably fail. On the other hand, if correct principles be followed success is almost guaranteed. We have only to cite two recently-organized existing factories, one representing Western enterprise and the other Eastern, which are wonderfully deserving for their perseverance, and which are manufacturing excellent sugar. One of these, the Alvarado factory, is dividend paying. Its sugar is a staple article on the San Francisco market, where it successfully competes with that from the Sandwich Islands. The Delaware Beet Sugar Company, near Wilmington, expects to manufacture this year at least 400,000 pounds of sugar. The Alvarado Company has excellent beets; its sugar product for 1881-1882 is yet unknown, but will doubtless greatly exceed that of the past. Now, here we have two sensibly-organized factories that meet with success, while the illy-placed, under-capitalized, and ignorantly-managed establishments

have passed out of existence. What would be thought of moving a large Brooklyn sugar refinery two or three hundred miles from where it is now standing? Is it not equally absurd to transport a beet-sugar factory? Yet all these difficulties are not greater than existed in Europe during the early stage of beet-sugar making. As far back as 1747 the great Prussian chemist, Margraff, called attention to the sugar existing in the beet, and the possibility and importance of its extraction. In 1830 some few sugar factories were working. In 1846, nearly a century from the date of its discovery, 100 beet-sugar factories were started in the face of opposition of all kinds. From that time until 1860 the questions of home taxation, foreign colonial interests, etc., threw great obstacles in the way. In other words, it took over thirty years in Europe to establish this beet-sugar industry on a proper foundation. But to-day what is the result? There are in Germany, Austria, France, Belgium, Holland, and Russia no less than 1500 beet-sugar factories, with an annual production of nearly 3,000,000,000 pounds, and there is no possible reason why we should not avail ourselves at once of the results attained by those older countries in a long series of experiments. If we are to consider as impossible the establishment of the sugar-beet industries in the United States, we can no longer regard ourselves the leading, or even a leading, country of the civilized world; and with all our advantages of cheap land, favorable climate, ample capital, intelligent labor, and time-saving, labor-saving, and money-saving devices, we had better take a back seat in the grand classification of nations.

But this problem will be commercially solved, beyond all question, within the next few years. The advantages to be derived from the manufacture of all the sugar that we consume are of an importance that can hardly be realized at first thought. It would render us industrially and politically independent as regards the most important of commodities. It would introduce a new system of farming, much needed in the New England States. It would place milk, butter, cheese, lard, pork, and beef upon our market in still greater abundance, to the advantage of our laboring classes and of our export trade. To supply the United States with 2,000,000,000 pounds of sugar would occupy 1,000,000 acres of land per year, and, making allowance for the desirable rotation of crops, it would be indirectly the means of working at least 4,000,000 acres. The yield of beet roots would be about 20,000,000,000 pounds. Their manufacture into sugar would consume over 4,000,000,000 pounds of coal; we

would have 6,000,000,000 pounds of pulp, representing 35,000,000 pounds of meat. Besides the meat the manure resulting from feeding cattle on the pulp would be 2,800,000,000 pounds. There would be over 1,000,000,000 pounds of molasses, from which could be made over 32,000,000 gallons of alcohol at 96° B. Employment would be given to nearly 300,000 men, women, and children. We would thus have a new market for such materials, consumed or resulting, as coal, bone-black, limestone, matches, brushes, leather, plaster, oils, lubricators of various kinds, sulphur, sulphate of iron, salts of ammonia, soda, bisulphite of lime, muriatic acid, wire of all kinds, rivets, bolts, zinc, tin, borax, tar, oils for various purposes, etc. Besides, there would be needed millions of pounds of iron for construction and for various machines in and out of the factory, and hundreds of millions of bricks for factory buildings. We would give employment to engineers, chemists, and many other branches of industry, and largely increase the demand for hundreds of home products. Further, this would gradually increase the yearly freight traffic on railroads, water-ways, etc. The country at large would be benefited under the circumstances. We do not know but that Governmental encouragement would be desirable. We could then have the very best machines and the highest talent in the best possible location, all of which could not so well be realized under existing conditions. Individuals having property to sell offer arguments in favor of beet cultivation in their particular localities. Overlooking the most important of all other facts, that of probable sugar exhaustion, what would be the possible sugar result? While these lands might be desirable for the cultivation of grain they might be disastrous for that of sugar beets.

In conclusion, we would say that no less than three factories will be started in Canada in the present year. These, however, are not Canadian enterprises, but are started by foreign capitalists who have sufficient forethought to realize that there is money in sugar beets on this continent, notwithstanding unthinking American arguments as to former failures, which prove nothing against intelligent beet-sugar making. Are we, the people of the United States, to wait for foreign capital to establish among us beet-sugar making on an extended scale; or are we to take immediate action, and prove to Europeans that we are capable of taking care of ourselves without their capital, by prudently availing ourselves of their past experience, which we have heretofore so frequently overlooked?

We urge, then, that American farmers shall essay the proper

cultivation of sugar beets for cattle feeding and sugar and alcohol making; that American capitalists shall undertake beet-sugar and alcohol making under proper auspices, in favorable localities, and with sufficient capital; that State and county premiums be given for the largest and for the richest beet crops, and for the first commercially-successful beet factories and beet alcohol distilleries; and that a fostering government give such rebates upon home Northern sugars, and such appropriations for ample researches, experiments, and reports, as shall enable us within ten years to freight our outward-bound ships with sugar from the North, to sweeten the great eastward-bound grain and flour product of the new Northwest.

The Secretary then called upon the wool growers, and Hon. W. S. Shallenberger, of Pennsylvania, responded for the National Wool Growers' Association.

#### ADDRESS BY HON. W. S. SHALLENBERGER.

MR. CHAIRMAN AND GENTLEMEN: On behalf of the National Association of Wool Growers, I have been requested to speak five minutes on the subject of the wool industry, and I feel certain that there is no industry represented here to-day that appeals so directly to your sympathy and to your encouragement as does this. I have had some experience in Congress in the last four years, and I say to-day that, during the pendency of the Wood tariff bill, the Association to which I refer, together with the National Association of Wool Manufacturers of the United States, had perhaps more to do in obtaining the eight votes that defeated that bill when the motion was made to strike out the enacting clause than any other organized body in the country that I know anything about. I found the National Association of Wool Manufacturers represented by its president, Hon. Rufus S. Frost, and its secretary, Hon. John L. Hayes, of Boston, and I found the National Association of Wool Growers represented by its president, Hon. A. M. Garland, of Illinois, and I repeat that, for unity of effort and for concentration of effort, there was no body that had more to do with the defeat of that bill.

The Association of Wool Growers numbers 400,000 in the United States. It is not confined to any one State. I represent in this Convention the iron and steel industry of Western Pennsylvania, in company with other gentlemen, and we are comparatively local in our interest; but when I speak for the National Association of

Wool Growers I can say that it has a foot-hold in every county in every State of the United States; not only so, but it numbers, as I have said, 400,000 intelligent farmers, who read the papers, who take note of the doings in Congress, who correspond with their members of Congress; and from Texas to Maine, from Vermont to California, and from the Northwest to Florida, we have letters and documents and influences pouring upon the National House of Representatives in behalf of a Protective tariff. They come to-day to emphasize their demand for a Tariff Commission. They do not care to take up collateral questions likely to distract the Convention; but they come here to-day, this great and growing industry, whose production, under the Protective system of America, has, since 1860, risen from 60,000,000 to 200,000,000 pounds of wool, and they propose to stand by every industry which wants to protect, by a well-considered tariff system, every possible industry in America. They know, as you know, that no one industry can stand alone. I represent a district of both manufacturers and of wool growers. I have one county in my district that has a net return of \$1,000,000 cash on its wool-clip alone per year; and in and around the city of Pittsburgh it furnishes young lambs, giving cheap mutton, and reducing the price of food to the workingman, and giving clothing as well as food to the country.

On the subject of domestic clothing I desire to add a word also. While it is true that the price of broadcloth is cheaper in Europe than here, the staple cloth produced in this country can be furnished to the workingman for less than such cloth costs abroad. I rely upon the statement of no less a personage than the Quartermaster General of the United States army for the information that the clothing of the United States army, when quality is considered, is cheaper than that of any other army in the world. There is a gentleman of intelligence sitting here now who has traveled around the world in a suit of clothing costing \$12, (coat, pants, and vest,) the quality of which has been commented upon by foreigners all over the world as being remarkable.

I desire to emphasize this topic. We do by these conventions instruct each other, and I as a member of Congress confess that I have been very greatly instructed by what I have heard and seen on this floor. I am glad that I came, and I expect to do all that I can to have this Commission of experts appointed; and then I expect to learn from that Commission all I can in order to give this country a thorough, congruous, effective, and radically-Protective tariff.

The permission of the Convention was then obtained for a hearing of the Vermont Merino Sheep Breeders' Association, represented by Mr. J. B. Mead.

ADDRESS BY MR. J. B. MEAD.

MR. CHAIRMAN AND GENTLEMEN: I simply desire to say, on behalf of our Association, that we indorse the good words spoken by the gentleman who has preceded me, and that the sheep-breeding interest of Vermont to-day is as prosperous as it can be, and we are entirely satisfied with the tariff as it is. We were anxious, in coming to this Convention, to learn what we could on the subjects of tariff and finance; and we are now satisfied that with the present arrangement the sheep interests of Vermont will be fostered, and must produce not only good wool but fine animals to be carried to other parts of the country. We have a good market for the exportation of sheep; and I hope it will remain so. We have no grievances to unfold, but only congratulate this Convention and the country on the present condition of that interest and its future prospects, which we believe will continue to improve, if the tariff is not changed to our detriment.

The Ohio wool growers were then heard through Mr. J. C. Stevens.

ADDRESS BY MR. J. C. STEVENS.

MR. CHAIRMAN AND GENTLEMEN: I, for one, doubted the propriety of coming here and attending this Convention, for several reasons. As far as wool growers are concerned they need no meeting of this kind. All that we want, as far as the wool growers of Ohio are concerned, (and I think I can speak for the entire Union,) is to be let severely alone. The great want of our policy of Protection is stability in legislation. Frequent changes of tariffs unsettle values, unsettle prices, and put the wool grower at great disadvantage. A lighter rate of duty, with an assurance that we are to continually receive it, will enable the producers of all your agricultural products, and you may say your manufacturers, to depend upon a fixed trade, and to shape their plans accordingly with a view of relying upon what they are to receive.

As I remarked, what we want is to be let alone. We have all that we desire, and all that we can expect, or, at least, what we

ought to expect. But we desire to be assured of stability in our legislation. We regret exceedingly when the time comes for Congress to convene. The flock-master is just as uneasy and as much alarmed as he is when he learns that the hounds are after his flocks. Now, this industry of wool-growing has increased perhaps in a greater proportion than any other industry which has been alluded to in this Convention to-day. Go back twenty years only; our sheep in the United States then numbered about 23,000,000, and in 1880 the census gives us 41,750,000—a little less than the population. In addition to this the production of our flocks has increased from 60,000,000 pounds, twenty years ago, to the unprecedented number of 230,000,000—a four-fold increase. The parties engaged in the manipulation of these woolens have also increased in a wonderful ratio during that period. At that time, 1860, there were only 41,000 men engaged in its manipulation; and in that we show an increase in twenty years to 102,000 hands employed. That is an argument that is very strongly in favor of Protection. Again, while all these branches of the industry have been increased, the wages have risen from \$9,000,000 in 1860 to \$45,000,000 now—a five-fold increase. While all this has transpired the annual revenues derived from our industry have advanced to \$28,000,000, and woolen goods were never so low in price as they are now.

The Secretary then called upon the shipping interest, and Mr. R. B. Osbon, of New York City, responded.

#### ADDRESS BY MR. R. B. OSBON.

MR. CHAIRMAN AND GENTLEMEN: I am glad I have got here at last; and I am going to make the most of it. Now, gentlemen, we are the most God-forsaken set of people that ever came into a convention to ask for anything, because we have nothing to give in return. We can say nothing about the glory of our enterprise, but we want to get into the circle, and be drawn along in the same category of glories that we have heard so much about. I will tell you what we want you to do for our shipping. We want you to take the greatest enemy the United States ever had, Great Britain, by the throat, and strangle the carrying trade out of her. That is what we want; and we want exactly that. The condition we are in to-day is that we are driven out of business, with only half a dozen ships on the ocean, and the desire on the part of Great Britain is to

cripple us so that we shall have to give up our carrying trade entirely. She disregards the laws of this country and of humanity. A ship will sail from these docks this very week to carry the mails and passengers, whose boats have been swept overboard in a gale of wind, and she refuses to buy four boats in this city to protect the lives of the people on board, because they are American-built boats. We want to prevent first-class British ships leaving this port with broken propellers, broken engines, and compartments full of water. We want to put our ships on the ocean, better than hers, as we did years ago. We can do it again, but we can't do it alone. We can't do it without asking you to help us. The gentlemen who oppose us, and who help to keep us down, are the gentlemen who sit in front of me, [the representatives of the press,] and who ridicule our idea of Protection to American shipping, just as they blackguard you people, and call you "pig iron monopolists," and laugh at your "infant industries." They don't seem to have hurt any of you much, and I thank God for what you have done; only we want a little of it ourselves. As for their abuse of our interest, I have a hide as thick as tar and pig iron can make it, and I don't care anything about them. If I hadn't I suppose I would have been killed long ago.

Now, take the shipping interest of this country where the captain and mate get scarcely any wages at all, and where a seaman gets ten dollars a month toward his living, and you get an idea of our situation. Men dare not invest their money in a ship, lest when they come to have a liability case their whole property is swept away. Men in this country have given up the shipping business because of the unjust laws of this Government. The laws which the Government has made for the shipping interest compel you to hire a man who don't know as much as you do yourself to take your vessel in and out of port; and he can charge almost anything he pleases, while the poor sailor gets nothing. Men can be found who earn \$40 and \$50 an hour, (I don't mean that they do that every hour in the day, but they do it sometimes,) for which there is no equivalent given. I can read you a list of misfortunes, humbugs, injustice, and onerous taxation that will make your hair curl tighter than ever you saw a colored man's curl. We have been ignored altogether. We have been ignored in Congress. We have been ignored in public assemblies; and we have been ignored by the press. We have been ignored even here, until I started up here a little while ago; and now, as I have a good lot of wind, I



want to pour a little of it forth. I have been pouring it forth ever since I came here, and now I want to pour it forth in a public way; and I expect to pour it forth as long as I live. We have been trying to get hold of the people of the West; and now I hope we have got you. You have as much interest in steamboats as we have. Who made the West but steamboats? Who got up steamboats on the lakes and on the Mississippi, but the sailor? Who brought you over here, anyhow? Who has carried the Bible and who has carried civilization all over this world but the sailor? Who is the first man you look for when there is a foreign war? The sailor. Who is the man you care least for when it is over? The sailor. If you collect half a dozen sailors and hire a man to go down on Sunday and read a tract to them your conscience is clear in the sight of God. At least so you think; but you will get shaken up on that, some of you. I think that I have been empowered by some influence or other to come up here in front. I am one of those people who get out ahead of a crowd. Sometimes they pitch me out, but nevertheless I can always sound the bugle. I ought to have been a bassoon, I believe. If I had I would have staid in the navy.

Let me tell you a word about wages. It was the American shipowner and the American sailor that made the increased wages that England has to-day to pay to her officers and crews. It was the American shipowner that put better food in the Englishman's mouth than he ever had in his life before. It was the American shipowner that put a better house over the Englishman's head. We never introduced lime juice to him, but we have been filling him with pork and molasses and all sorts of foolishness, and we have been giving our people lime juice—which we don't like. And what have the English done to pay us for it? They put the rag-tag and bob-tail of crews into our ships, and they have got the upper-hand of us altogether, and if they get it any more they will pay American sailors the wages they did when I was a boy—1£ 10s. Now, are you, gentlemen, you wool manufacturers, and steel manufacturers, and pig iron men, and corset makers, going to let us go by the board in that kind of a shape? You never knew a real sailor a beggar; you never saw a real sailor going around begging. You have seen a fellow with a long coat and big pockets going around selling smuggled goods; but you can bet your bottom dollar he came from Sixth avenue every time. We don't come here as beggars, but we come here to ask what is right and just.

By and by, if you folks are not careful, some fellow will be sent to come over here and scoop up some of these good things that you have been telling us poor fellows about, and bring a few ironclads along to help him do it; and you will be yelling like the mischief for some of us fellows then to help you out. And how can we do it? We can't wade out into the ocean to fight ironclads. What we want you to do for us is no more than you are asking to have done for yourselves—protect us. What protection has an American abroad to-day? None. When our people get into trouble abroad they go to our enemy's consul, Great Britain's consul, for protection. Just look back and see. What does one of our consuls amount to abroad as far as protecting Americans is concerned? They are not worth a snap of my finger. They are just beginning to be useful by writing to us and telling us of the markets that are open to us all over the world; but what is the use of their telling us of these good things when we don't have the ships to put the good things in, to send them out to those markets?

Let us reason from the right point always. You people out West think that shipping is not worth anything. Why the Dutchmen and Englishmen are carrying away from here \$190,000,000 a year, and just for fun. Why shouldn't we have some of it? Why shouldn't we have all of it? We are asking you to come and help us get some of it, and, if you can only see it as I can, we will get some of it. As I said in Chicago, I can't furnish you with telescopes to let you see it as I do, and because I can't the people I represent took my mouth for a telescope, and I am trying to use it so as to let you see what we want and what you ought to help us to have.

The Convention consented to hear Mr. Peter K. Deyo, of New York, also on the ship question.

#### ADDRESS BY MR. PETER K. DEYO.

MR. CHAIRMAN AND GENTLEMEN: The London *Times* simply throws it in our face that we lose \$80,000,000 a year because of the condition of our shipping. If we lose \$80,000,000 a year Great Britain gets that \$80,000,000. When we take into consideration that there are some forty or fifty trades which enter into the construction of a ship we can readily see that we are depriving hundreds and thousands of our own people of remunerative employ-

ment, because we do not properly legislate upon this ship question. I am connected with a paper which is intended to properly bring this question before the American people, so that they shall take such action as will restore our maritime service, and inasmuch as this was the Convention week, and hoping that many of the delegates would read our paper, we started out with that grand speech that Hon. James G. Blaine made in the United States Senate just before he sent in his resignation to accept the position of Secretary of State. There is the document set forth in that paper, and though it would seem to be old we can to-day take it as our chart; and the very next article in this paper is a very extended report of the speech of John Roach, the great shipbuilder of this country, who I understand is to address this Convention to-night. It seems to me that all that is necessary is for the American people to act upon this American question from the American standpoint for the good of American citizens.

The question of subsidy, if it come to that, if it were a direct subsidy to enable our shipping to resume its proper position, would be an application of the principles of the Protective tariff. That is all that it is, and that is the question which touches every American. It is not a question that concerns New England with her cotton and woolen mills, or Pennsylvania with her iron mills, any more than it concerns the farmer of Minnesota or Iowa. I would like to ask the farmers of the West where they would be, if all these parties were turned out of employment and sent into the fields and prairies to compete with them. Would not it lessen the home market? Would not it increase the agricultural productions of the country? And then what would they do or think? They would simply have a surplus for which there would be no market.

The Secretary then called upon the corset industry, and Mr. Theodore C. Bates, of Worcester, Massachusetts, responded.

#### ADDRESS BY MR. THEODORE C. BATES.

MR. CHAIRMAN AND GENTLEMEN: I shall detain you but a moment. The corset manufacturers here are about in the same condition that the gentleman who spoke for the wool growers of Ohio said they were. We simply desire to be let alone; and we will very cheerfully take hold and help our friend Osbon get his ships. If there is anything that should receive the closest attention

of the successful business men of the United States it is to see that the carrying trade of this country is transferred from foreign bottoms to American vessels at the earliest possible day. With the enormous capital of Great Britain, France, and Germany allied against this, it will require the aid and co-operation of all our prosperous manufacturers and producers in the United States who are to-day so heartily in favor of the Protective tariff system. Therefore, I hope every delegate here will feel it to be his duty to urge his representative in Congress to see that with proper restrictions, fully guarding the interests of the people, we shall no longer be frightened by charges of "subsidies" from sources which we can not control, and which are made by those not interested in promoting the growth and prosperity of our American commerce, but in the interest of foreign shipping. That is what England has done and is doing to-day. Her statesmen and writers are zealously sowing the poisonous seeds of their Free-Trade doctrines among our people, and meantime her shipowners are realizing enormous profits from the transportation to all parts of the world of our varied products.

In my judgment we owe to those directly interested in the growth of American shipping every assistance that we can bring to bear upon this subject, which I believe is for the public good and for the benefit of our entire country; and I will guarantee, as far as the corset manufacturers are concerned, a solid support in that direction. If the principles of Protection to American labor and our varied industries are sound and right, as we believe they are, having been so clearly exemplified by the wonderful growth and prosperity of our country under our present tariff laws, especially during the last twenty years, why should we then longer act on the defensive in this matter? On the contrary, henceforth let the intelligent American laborer and the manufacturer unite in an aggressive warfare against all those foreign writers and statesmen who are so persistently endeavoring, by every means they can influence or command, to degrade our laboring men to the level of the half-paid workmen of their own countries.

The intelligence and inventive genius of our American mechanics are rapidly developing the powers of our American manufacturing interests, so that to-day, by our improved machinery, we are producing, in very many lines, goods better and cheaper than our less enterprising competitors in the old countries; and as we do this it is right for us to have enlarged markets and outlets for our pro-

ductions. Hence our duty as manufacturers is to assist in re-establishing and maintaining our American shipping interests and carrying trade. Especially should we have better facilities for reaching and supplying the South American markets. This subject is one of vital importance to all our manufacturers, and deserves their most careful and favorable consideration.

The Secretary then called upon the representative of the Textile Manufacturers' Association of Philadelphia, and Mr. James Dobson responded.

#### ADDRESS BY MR. JAMES DOBSON.

MR. CHAIRMAN AND GENTLEMEN: I represent a city of industries; a city that has now in its workshops 210,000 operatives; a city that annually consumes in the production of woolen goods alone 150,000,000 pounds of wool and its substitutes. In 1860 we employed of its population but 12 per cent. In 1880 we are employing over 25 per cent. in its varied industries. We make in Philadelphia more carpets annually than are made in the United Kingdom of Great Britain and Ireland. Our workmen are better housed, better fed, and get better wages than those of any other city in this country or in the world. Our industries are diversified, and we invite the skilled labor of the world to participate in and build up those industries.

Dr. Loring, in his opening address, made some remarks about the wool products of the United States being 256,000,000 pounds. I make the assertion here, and I do not fear contradiction, that the woolen machinery of this country now in operation (and I do not know a single firm or factory, that is in good standing and the proprietors of which understand their business, that is not in operation) consumes every year over 500,000,000 pounds of wool and its substitutes; and it is such wool that makes the gentleman's cheap suit of clothing for \$12. I have nothing further to say.

The Secretary then called upon the silk hat industry, and Mr. Edward Rockwell, of New York, responded.

#### ADDRESS BY MR. EDWARD ROCKWELL.

MR. CHAIRMAN AND GENTLEMEN: Our sailor friend a short time ago denominated the people of his interest as "the most God-

forsaken" party in this Convention. I would like to compare notes with him on that subject, when we have neither of us much to do, for I have always thought that the silk hat manufacturers of this country were, *par excellence*, the most God-forsaken people in it. Nearly every word I have heard spoken in this Convention has been on the subject of infancy twenty years ago and progress now. Twenty years ago the silk hat manufacturers of this country and their workmen were, without exception, the most flourishing set of mechanics and manufacturers of any industry in the country. To-day we are impoverished, not through any intention of the legislation of the country to do us this injury, but from a misapprehension of the manufacture of silk which was about to be introduced into this country. The manufacture of silk plush is good for nothing except to make silk hats, and it came into existence when silk hats came in. It is good for that manufacture and good for that only. Some years ago the manufacture of silk plush was tried by the silk manufacturers of this country under the most auspicious circumstances, but it proved an utter failure; and the amount of money invested in the undertaking was lost. Workmen were brought from France to conduct the manufacture. The best French workmen were brought here; French water was brought here; and I have even heard it said that they brought the French atmosphere here too; but it would not do. Now silk plush comes into the market at 60 per cent. duty *ad valorem*. The manufactured silk hat comes into the market at the same duty, 60 per cent. The duty upon imported bands, bindings, and cut silk is 40 per cent. These are manufactured in this country; and we wish the other part was too; but it is not. Every imported silk hat that comes in here is a dead loss of 35 per cent. to every manufacturer of silk hats in this country, because we use that proportion of bands and binding. The duty is the same on the hat; but it discriminates against us in the bindings and bands. It is all included in one hat, as a manufactured hat, and consequently we are not protected at all, and are in the same position as if we had Free Trade in that matter. We are discriminated against in two ways: first, the bands and binding which come in as part of a manufactured hat come in for nothing; and, second, the price of labor is against us. My idea of Protection is that if one man in this country can be benefited without detriment to another man in this country it is right and proper that that man should be so protected, and that he must get the benefit in preference to the English workman. What we want

is a reduction of the duty on silk plush, or else the manufacture of it in this country. We would prefer the latter, if any of the silk manufacturers of this country will produce that article. I believe, and I think I represent my business, that our whole industry would prefer to see the duty raised to 500 per cent. on the English article in order to allow it to be made here; but until it is made here we ask to have that duty taken off, and the duty on the imported hat advanced.

We want Protection, and as a workingman I think I have a right to ask for it. We are not protected. Our business is running down, and men who have learned a trade requiring years to master it are driving horse-cars and driving dirt carts and doing anything they can get to do to earn a living, because there is no occupation for them at their trade. The number of men working in our business to-day is one-half of what it was ten years ago. Mr. Dunlap, the largest manufacturer of silk hats in this city, told me yesterday that if the duty on hats was such that we could make a hat at the cost at which we ought to make it, namely, without the duty on this silk plush material, we could send hats to every country in the world; for it is an admitted fact that the hat made by the American workman is better than that made in any other country. We have workmen here to-day from Vienna, Paris, Brussels, and all the leading cities of the world, and they admit that they can not make such a hat as we do. When the millennium comes American hats will be sailing over the ocean in American ships.

The Convention consented to hear Mr. M. C. Cook, of Boston, on the same subject.

#### ADDRESS BY MR. M. C. COOK.

MR. CHAIRMAN AND GENTLEMEN: Some four years ago the Hatters' Association of the United States chose a committee to represent it in Washington for the purpose of having the tariff applying directly to hatters' material readjusted. We do not ask for any higher protection than we have now; and we did not then. We asked then, as we do now, for readjustment. The committee consisted of three—Mr. Morris of Philadelphia, Mr. Danenwald of New York, and myself; but we could get no relief. I believe that it is impossible to have a tariff to apply to the industrial interests of the whole country arranged by the Ways and Means Committee of Congress. I say it with all respect for the committee; but the

interests are so large and so varied that it would be impossible for a committee of the kind, with all their other duties to attend to, to grasp the subject. This committee of ours made several visits to Washington at the time the Wood tariff bill was being formed. We spent several days there, but, although we were personally acquainted with several members of the committee, we found it impossible to get a hearing for some time. Finally, we got a hearing, and the most important thing we sought was put in the bill as we desired it to be put, and that was in reference to the plush that went into the silk hats.

I believe that the only way in which a tariff can be framed to meet all requirements is just in the direction that we are working for here—through a Commission. The hatters know just what they want. We can frame a tariff that will protect our business and at the same time bring as much revenue to the Government as it gets now.

The Secretary then called upon the flax-spinning industry, and Mr. E. S. Hartshorn, of New York, responded.

#### ADDRESS BY MR. E. S. HARTSHORN.

MR. CHAIRMAN AND GENTLEMEN: I wish it understood that I represent the laborers in our establishment as well as the capital invested therein, and therefore I wish to speak for both. Our flax-growing and flax-spinning industry in this country is yet in its infancy, so far as its possibilities are concerned. Twenty years of Protection have, however, infused some vitality into the industry, and we are growing. We are increasing the volume of our business; we are selling our manufactured goods at lower and lower prices; and yet we are paying for our labor 60 per cent. more than the same service commands in Europe. We can under existing tariff laws make linen goods requiring little labor; but we can not make the finer grades of goods requiring much labor. I am ashamed to say that no American's heart to-day beats beneath a linen shirt bosom spun and woven within his native land; but I am proud to say to this Convention that the difference in wages between us and Europe is the only cause which prevents the weaving of fine linens in this country. One by one the great thread manufacturers of Great Britain are coming here to make goods for American consumers, and they succeed. The assertion that these goods can not be made in our country and climate is false. We can make fine



linen goods here, as well as elsewhere, provided we had as cheap labor. The possibilities of the flax business are great ; and it should furnish employment for some thousands of American work-folk, though it now only employs hundreds. In the Western States there are thousands of tons of flax fibre which are only rotted for manure or burned to ashes. This fibre, if properly treated, will make towels and table-cloths, and can also be used to bind leather and manufacture strong paper ; but jute is sold so cheaply as to prevent this fibre's being utilized. When we consider that our cotton culture was once protected three cents per pound, and that now we raise two-fifths of the cotton grown on the face of the earth, it seems reasonable that the American people shall protect our flax-growing industry against Asiatic labor. Let us feel certain that this devastating Free-Trade simoom is not to burst upon us at any moment, but that a just protection will be afforded to the development of the flax industry, and millions of capital will be invested in linen manufacturing, and we will make fine linens as well as if not better than any foreign competitors.

It is wonderful how this Protection protects. I have alluded to the results of Protection upon our cotton fields. One or two other examples, and I am done. The cheapest newspaper in the world is printed on protected paper, by protected type, with protected ink, by protected presses, driven by protected steam-power, within a magnificent protected palace. The railroads of the United States, built with protected steel rails, equipped with protected locomotives and protected cars, are carrying freight and passengers cheaper than any other railroads in the world. The American farmer is tilling his ground with protected machinery, sending his produce to market over protected rails, underselling the Free-Trade British farmer at his own door, and still having an ample profit left with which to purchase comforts for his family at home. The nation is prosperous, and the American laborer is better paid in proportion to the cost of living than are the working people elsewhere in the wide world.

The Secretary then called upon the textile-machine builders, and Mr. Albert Briggs, of Rhode Island, responded.

#### ADDRESS BY MR. ALBERT BRIGGS.

MR. CHAIRMAN AND GENTLEMEN: I am here as a delegate of the American Association of the Manufacturers of Textile Machinery,

but I do not desire to trespass upon the time of the Convention. The capital invested in our enterprise is about \$15,000,000, employing about 15,000 men, with an annual product of about \$15,000,000. This Association is thoroughly Protective, and also favors in the strongest manner a Commission for the regulation of the tariff question, and will work in the interest thereof.

The Secretary then called upon the iron ore producers, and Mr. H. H. Adams, of Ohio, responded.

#### ADDRESS BY MR. H. H. ADAMS.

MR. CHAIRMAN AND GENTLEMEN: It is desirable in presenting the peculiarities of the iron ore interest that we should consider to what extent the iron interests of the great Northwest have aided in developing the large industries of the seven Western States. The eminent Professor Robert E. Thompson, of the University of Pennsylvania, in a discourse on moral science, makes the following statement: "While the increase in the entire value of our manufactures between 1860 and 1870 was 128 per cent., in the seven principal Western States it was over 400 per cent." I desire, in this connection, to call your attention especially to the development of the famous Lake Superior and Menominee iron ore mines of Michigan.

It is now less than 35 years since the first discovery was made of the rich iron ores of this region. To the credit of S. T. Carr and E. S. Rockwell, I believe, belongs the discovery in 1845 of the justly famous Jackson Mine. The first shipment of this ore was made to A. S. Crawford of New Castle, Pennsylvania, soon after, but not until 1855-56 was its quality thoroughly established by the old Clay Furnace at Sharon, Pennsylvania, and its valuable properties discovered. From these shipments, and subsequent experiments by the Himrods, Agnew, Boyce, Tod, and others, was born a new era in the iron industry of the Mahoning and Shenango valleys, and the work of transformation begun. The combination of the natural elements from the Lake Superior mines with the famous Brier Hill coal of these valleys conspired to produce the enterprising spirits of industry, impersonated by such as the Hitchcocks, the Andrews, the Tods, Stambaugh, Boswells, Browns, Wicks, and the Chisholms. These irrepressible agents of thrift and enterprise have out of the forest hills borrowed the elements, and built, as by

magic, a city full of furnace fires, and have lifted into national repute a typical city of Northern Ohio by building the largest rolling mill in the United States, with its 126 puddling furnaces, at Youngstown, Ohio. These agents, by the same influences, lifted from lethargy the prostrate industries of Cleveland, and to-day this beautiful city is the manufacturing point of the old Buckeye State, with its Otis steel, a triumph of industry and invention, and its Bessemer plant, the latter of which daily fills the three-story dinner-pails of nearly six thousand laborers, to whom the Chisholms pay over a quarter of a million dollars per month.

By reference to the census we find the capital invested in the manufacture of pig iron increased from 1860 to 1870 six hundred per cent. in Mahoning county, Ohio, and seven hundred per cent. in Lawrence and Mercer counties, Pennsylvania, all of which comprise a part of the Mahoning and Shenango valleys. It was the ore of Lake Superior that brought Ohio to the front rank as an iron-making State. In 1850 this State made 50,000 tons (in 1880 one concern made 50,000) of pig iron. In 1880 she made 674,000 tons, increasing her make fifty per cent. per year, one-third of which was made in the Mahoning valley and three-quarters of this from Lake Superior ores. These elements have lifted the stature of the "Buckeye boy" up to the thighs of his older brother, the "iron colossus," Pennsylvania.

The total annual production of the Lake Superior iron ore mines in 1855 was 1,449 tons; in 1878 this production reached 1,125,000 tons, while the production of sixty-four mines for 1881 will reach 2,325,000 tons. The grand total produced from 1854 to the close of the present season is nearly 18,000,000 tons.

The average rates of lake freight taken from winter contracts and current summer rates are as follows:

Years.	Marquette to Cleveland.	Escanaba to Cleveland.	Years.	Marquette to Cleveland.	Escanaba to Cleveland.
1875.....	\$2.17	\$1.34	1879.....	\$2.56	\$1.23
1876.....	1.43	1.07	1880.....	2.57	1.86
1877.....	1.55	1.01	1881.....	2.22	1.55
1878.....	1.32	.89			

The average lake freight paid on lake ore for the past seven years is as follows: Marquette to Cleveland, \$1.97. Escanaba to Cleveland, \$1.28.

Cleveland will receive in 1881 three-quarters of a million tons of

lake ore, of which nearly one-half is for Pittsburgh, the balance being substantially for the Mahoning valley.

The development of the Lake Superior iron ore mines is transforming the agricultural metropolis of the West into a city of furnaces, looms, and fly-wheels, and is dotting the prairies with factories which are refining and working the metals from this grand mineral district; and nearly if not quite the half of the nation's product of Bessemer steel rails (1,250,000 tons) is made from Lake Superior ore, while its manufactured product is marketed in every town from Maine to Mexico.

These mines produce one-quarter of all the iron ore mined in the United States; and the great undeveloped wealth of iron within the limits of the upper peninsula of Michigan and Northern Wisconsin, lying as it does within easy and cheap transportation of the 36,000 square miles of coal fields in Illinois, (this area being three times as much as that possessed by Great Britain,) gives assurance of the fact that Illinois, with the largest railway system, first in production of corn, first in production of wheat, first in production of rye, first in production of oats, first in production of packed meats, first in the lumber traffic, first in malt and distilled liquors, and first in the manufacture of agricultural implements, offering within the limits of her metropolis the cheapest beef, pork, and flour in the world, and having Missouri on her western border with a wealth of resources, promises to become the great manufacturing State of the West if not of the nation.

Again, to the credit of the Lake Superior ore is assigned the establishment of the three Bessemer steel works in Illinois—two at Chicago and one at Joliet. These establishments employ something over 12,000 laborers, and produce upwards of 300,000 tons of steel rails. It was from the fact that these ores were sent into its markets that Cook county, Illinois, by the multiplication of its iron and kindred industries, increased in population, during the past decade, 73 per cent. These are some of the causes for the remarkable development of the industries in the seven Western States before referred to.

Is there an honest American citizen whose heart does not swell with pride and satisfaction at the development of the great West? We find, keeping pace with the progress of our railway system, industry, the bustling handmaid of agriculture, turning her fly-wheels and spindles, and with her product of raiment and fine linen she stands at the door of the farmer's market ready to exchange it

for the natural fruits of the soil. Hence these monuments of industry and thrift are the magnets which are drawing to our shores the three-quarters of a million souls which have found a new home within the past twelve months beneath the folds of our American flag. And from these sources flow the eighty millions of dollars which are annually paid out of the nation's resources by the States for the support and maintenance of our American free schools. It is through the influence of this national institution that, notwithstanding the enormous immigration and the presence of four millions of recently-freed slaves, we show thirteen per cent. less in illiteracy than Great Britain. These are the leavening influences, born first in the heart of our Anglo-Saxon mother, perpetuated and stimulated into renewed activity by this young republic, which are to lift up to a higher standard the civilization of the masses; and, by the continued blessings upon us as a Christian nation from the God of our forefathers, we shall become an important factor in His plans to elevate and lift to a higher standard the clouded nations of the world.

The Secretary then called upon the knit-goods industry, and Mr. Titus Sherrard, of New York, responded.

#### ADDRESS BY MR. TITUS SHERRARD.

MR. CHAIRMAN AND GENTLEMEN: I represent, in part, the knit goods of the country—I refer to the shirt and drawers part. I will give you a few facts. It is within the memory of young men to-day that the knit-goods industries, so far as shirts and drawers are concerned, were represented by one small mill in the town of Cohoes; and that mill was not able to run more than six months in a year to supply the demand. The industry to-day represents millions of capital, millions of value in production, and from one hundred thousand to two hundred thousand operatives. I would say in connection with what Mr. Dobson said that half of the two hundred thousand operatives in the city of Philadelphia employed in the woolen industry work directly in and represent directly the knit-goods interest, in the shape of nubias, hoods, and jackets.

The knit-goods industries of this country are like some other industries that have been represented here. They want, in a measure, to be let alone; and that is all. They can show a larger increase in production; they can show a larger increase in manufacturing capital; they can show a larger increase in the demand

for their goods, than any other industry on this floor. We are supplying the millions of this country to-day with shirts and drawers; and people get them, on account of the immense production, who never thought of wearing them when you and I were boys. Every one in this room, I venture to say, now wears shirts and drawers as underwear; and yet you can all remember when we did not wear them. And you not only wear them, but your children wear them, and your wives and daughters wear them, and they are clothed by the product of American industry. The knit-goods industry is large, and should be represented in this Tariff Commission, if we get one.

The Secretary then called upon the miners of precious metals, and Mr. Hamilton S. Wicks, of Colorado, responded.

#### ADDRESS BY MR. HAMILTON S. WICKS.

MR. PRESIDENT AND GENTLEMEN: Commissioner Loring in his able address yesterday stated that there were three great industries in this country—the agricultural, the manufacturing, and the transportation, and he entered somewhat into the statistics of their growth and condition. I desire to introduce to the attention of the Convention another industry, which I think is sufficiently well defined and prominent to be classed among those which the honorable Commissioner set forth. I refer to the great industry of mining.

The Government of the United States embraces within its domain a territory rich in soil and favorable in climate, whose agriculture contributes more than that of any other land to feed the nations of the world. It possesses many long, navigable rivers that penetrate into the very heart of the continent, and materially aid the internal commerce of the nation. It is equipped with a railroad system about equal to that of all Europe, comprehending 100,000 miles. Its manufactures have increased under a beneficent policy of Protection, until it not only supplies all of our own wants but competes in some instances for the markets of the world with the old nations of Europe. In addition to these splendid resources and adaptabilities our mineral belts are more extensive and varied than those of any other nation. The agricultural interest and the mining interest are sister industries; they go hand in hand, each one dependent on nature's raw material for the elements of its growth and prosperity,

and each contributes to the other two industries the elements of their prosperity.

It has been stated on good authority that the mining industry of the United States, with respect to the capital employed and the moneyed yield of minerals, is second in importance among all the industries of the country—standing next to the great agricultural industry. Without at this time going into detail regarding such mineral substances as coal, iron, lead, copper, petroleum, zinc, antimony, gypsum, quicksilver, and the coarser materials of slate, clay, marble, limestone, and building stones of all kinds, whose value is almost beyond computation, take the royal metals, gold and silver, and glance for a moment at their importance as factors of individual as well as national wealth. Besides entering largely into the industrial and decorative arts they are the medium of exchange and the standard of value—the money of the nation; and their mining has yielded returns that in the aggregate figure are simply amazing.

The total amount of gold and silver produced in the world is estimated by Bernarkardis, a French statistician of note, at more than eighteen and a third billion dollars, and the amount produced since the discovery of America is estimated at thirteen billion dollars. According to Dr. Soetbeer, the world's production of gold and silver between 1830 and 1875 was more than five billion dollars, and the actual returns from transportation companies place the production of gold and silver in the United States since 1849 at two billion dollars. From the single Comstock fissures of Nevada nearly three hundred and eighty-five million dollars have been extracted in twenty years. From the blanket deposits of Leadville nearly thirty million dollars have been mined during the last two years. New Mexico, Arizona, Idaho, and Montana are the eldorados of the future; yet the value of New Mexico's production of the royal metals in 1880 was more than half a million dollars; Idaho's, about two million dollars; and Montana's and Arizona's was nearly four million dollars respectively, and this from a few properties unassisted by improved machinery.

For the first time in the history of industrial exhibitions the people of a great nation have been invited to participate in a display of the products and machinery of mining. Hitherto various other industries have enjoyed the advantage of separate and special displays in this and other countries, greatly to their upbuilding and advantage; and hitherto the share of Colorado and the mineral-producing sections farther West, in connection with great displays, has

consisted in sending a few samples of ores to the great capitals which have played the part of hosts. In this respect the second great industry of this country has exerted itself fruitlessly; it has not met with adequate recognition from the official sources, while other industries have been carefully fostered and promoted. In establishing this national enterprise it would be affectation to deny that we were not actuated by a more practical motive than the mere glory of a great peaceful gathering of the people of the country, to gratify either their curiosity or their amusement. The real object is to bring under the notice of the entire country the resources of our great Western Territories, hitherto so lightly peopled, and the capabilities of which are as yet so slightly developed and known. Every immigrant who has made the West his home, and every one born here who is proud of it as a native, is identified with its advancement, and that advancement will undoubtedly be stimulated by a general recognition by the balance of the country of our present condition and future prospects. All those, therefore, who take a liberal view of affairs should encourage this important national enterprise with a view of diffusing a better knowledge of the mining resources of the West among the populations of the East and of Europe.

This mining industry might be said to be in great measure the lubricator of other industries, for when it flourishes all the wheels and cogs of the nation's trade and commerce operate more smoothly. The discovery and development of a single great mine advance all other industries: railroads and manufactories are constructed, thrifty towns and cities are built, and beautiful homes and noble monuments of architecture are created. This industry furnishes the greatest incentive for the rapid population of new countries. The sudden and remarkable impetus which was given to the settlement of Australia and California, about thirty years ago, was owing to the discovery of gold in each. Prior to that time the population of Australia comprised only a few convicts, and California a few Mexicans. The Pike's Peak excitement in 1858 brought thousands of people into the Far West, seeking the royal metal, gold. Five years later the discovery of silver near Georgetown, Colorado, caused another influx of immigration. Seven years later, or in 1870, the construction of railroads to the mines stimulated the industry, which reciprocated with another tide of immigration. The introduction of the smelting process soon after, which enabled the low grades of ores to be profitably treated, again greatly benefited



the industry, and found immediate response in increased immigration.

The discoveries of Virginia City, White Pine, Black Hills, and Leadville have each in turn attracted their tens of thousands of people and their millions of capital, until great cities have grown up along the base of the Rocky mountains and the shores of the Pacific ocean; populous towns have sprung into being in the mountain parks and valleys; each cañon has its snug little villages and railway line, and the foundation has been laid for a great empire of sturdy men and women.

By the census just taken the population of the country is shown to be more than fifty million souls. An examination of the details of the census report shows a great influx of population to the West. This is largely owing to the mining industry. The increase during the last decade in Colorado has been 383 per cent., which is the greatest of all the States or Territories east or west, except Dakota, and is attributable directly to the development of her mining industry. It is fair to assume that during the next decade Arizona, Utah, Montana, and other mineral-producing sections of the West will receive an impetus commensurate with that of Colorado.

Now, if it can be shown that the production of the precious metals in the United States since the discovery of gold in California in 1849 comes from a very small portion of the gold and silver bearing territory of the country, there will be a basis to figure out the possibilities of the future. Under the heading of "Gold and Silver Production of the United States" the Director of the Mint says that "as there are thousands of mines, yielding annually more or less gold and silver, scattered over an area embracing more than half of the territory of the United States, to obtain accurate and complete statistics of their aggregate production is a work of great difficulty." According to this statement more than half of the territory of the United States, or over two million square miles, is mineral land, producing gold or silver in greater or less quantities. Of this extensive territory a careful examination of the geological reports from high authority demonstrates the fact that in reality only about five hundred thousand square miles are actually known to contain deposits of gold and silver available for mining in remunerative quantities; and, of this five hundred thousand square miles of veritable mineral territory, an examination of the recorded mines shows that less than one per cent. is actually mined. If, then, the entire production of the royal metals has hitherto come from,

say, one per cent. of the lands ascertained by eminent geologists to contain gold and silver mines, the other ninety-nine per cent. can reasonably be supposed, with the new impetus given to the industry, and the improved means of working mines, to yield in the same ratio as the one per cent. already ascertained and known.

Since the discovery of gold in California, in 1849, the production of gold and silver has aggregated about two billion dollars, as reported by transportation companies, which is but one per cent. of the possible yield. Accordingly, the remaining ninety-nine per cent. of the mineral territory can fairly be estimated as capable of yielding ninety-nine times the one per cent., or two hundred and three billion nine hundred and forty million dollars—that is to say, eleven times as much as the total world's product, and fifteen times as much as the product since the discovery of America. From the earliest historical times down to the discovery of America the entire amount of gold and silver used for all purposes was of little more value than five billion dollars. Then again, of the thirteen billion dollars produced since the discovery of America more than one-third, or five billion five hundred thousand dollars, according to Dr. Soetbeer, has been mined during the forty-five years between 1830 and 1875, leaving only about eight billion dollars for the three hundred and forty years between 1492 and 1830. Indeed, the yield in the United States during the thirty years since 1849 is about one-sixth as much as the yield of the whole world for the three hundred and eighty-eight years since Columbus landed. And to equal this amount, or two billion dollars, it would only require twenty-six years of production from the ten Western States and Territories alone, should they yield no more of the royal metals annually than seventy-seven million six hundred thousand dollars—the yield for 1880. Consequently, it can be argued that if the great mining industry be conducted on the basis of other industries, and the same wisdom and business tact be brought to bear in its development, some considerable portion of the two hundred odd billion dollars (\$203,940,000,000) of available mineral can be dug out of the ground in a comparatively short period and be used to enrich this people and advance this nation in all the grand achievements of a nation's life and destiny.

The Secretary then called upon the New York City industries, and Mr. John F. Henry responded.

## ADDRESS BY MR. JOHN F. HENRY.

MR. CHAIRMAN AND GENTLEMEN: New York is the largest manufacturing city and the largest city for manufactures in the United States; and to talk about all its industries would take more than five minutes. Therefore I will only touch on one or two matters to which we desire attention called. Our friend who talked about shipbuilding and shipping interests as being more important to the merchants of New York than any other is not altogether correct, although the shipping interests are entitled to Protection, and we ask this Convention to favor Protection for that industry. I say, as a member of the Chamber of Commerce, that what we need is what you need, and what the country at large needs; that is, Protection. A distinguished United States Senator once said to me, "Mr. Henry, as a business man, you would not pay any more for carrying the United States mails on an American vessel than you would on a foreign vessel, would you?" I answered him in this way. I said, "I am the father of two sons. Now, it is possible that I could bring up another man's sons cheaper than I could my own; but I do not go around looking for other people's sons. I protect and bring up my own sons. So I say to you that if I could have my way I should never go to a foreign vessel to carry the United States mails."

We have other interests here; but I shall only touch briefly upon them. We have the great chemical interests of the city of New York; and we ask for Protection for them. And these gentlemen who manufacture every article that can be made in this country need Protection, and among the rest and most important in that line is quinine. These manufacturers should be protected in their chemical industry, and why not? What has been done by taking off the duty on quinine? American laborers have been thrown out of employment; and you have brought an article of quinine into this country that has no stability; an article that the druggists of the country and the people of the country have no confidence in. Before, we had what was manufactured here, and a reliable article, and everybody was satisfied. We have not helped anybody in removing this tax, as I understand it, but the foreign manufacturers of it.

We want Protection in another way in the city of New York; and that is, we want all the internal revenue and all of the internal taxes abolished. We want to see these stamps on checks that

torment every merchant and every man who has his little savings in a bank abolished. They give the Government of the United States very little; and it costs as much to watch us, and to collect the tax, as the Government gets from its collection. We want the stamps on proprietary medicines, and on cosmetics, on playing cards, and on matches, all done away with. A stamp tax has always been unpopular with the American people ever since the people of Boston threw the tea overboard. We do not want a stamp act if we can get revenue enough upon goods made on foreign soil that come in here. Let us do away with the whole internal revenue system; and in saying that I want more especially to see the tax on alcohol abolished, if it can be separated from the other liquors, because it goes largely into the manufacture of many articles, and drives away from us the South American, Canadian, and Australian markets. Twenty years ago the merchants of the United States had a large trade in perfumery and other articles in South America. Every bit of that trade now has been driven away. Alcohol goes through New York City in bond to Europe to manufacture perfumery and to manufacture spirits of wine, and drives away from the markets to which I have referred the American product of that manufacture. I want to see this tax abolished, and to let American manufactures compete on the same footing with the manufactures of France and Great Britain.

The Secretary then called upon the cutlery industry, and Mr. James E. Emerson, of Pennsylvania, responded.

#### ADDRESS BY MR. JAMES E. EMERSON.

MR. CHAIRMAN AND GENTLEMEN: I am a saw manufacturer, and I propose to show you what has been done in the manufacture of steel for our particular branch of business during the last twenty-five years by the American manufacturers as compared with the English. I would first state that twenty years ago there was but little American plate steel used in the manufacture of saws in America. It was nearly all shipped from England. I know well—there is no one who knows better than I—the struggles which the American manufacturers have passed through in that particular branch of industry. There is no branch of the steel industry that is more difficult to master than the rolling of large plates for circular saws. To-day there are only two, and I may even say but

one, of the steel manufacturers of Europe who have succeeded in producing an article which saw manufacturers can depend upon. Fifteen years ago the steel of the English manufacturer was sold at from \$40 to \$60 per ton above that sold by the American steel manufacturers at that time. The prejudice with which we saw-makers had to contend on the part of our customers was such that they demanded of us in many instances that the saws which they ordered must be made from English steel. Indeed, so great was the prejudice that if they found by any means that the saws we made were made from American steel they would be condemned.

In 1874 a test of circular saws was made by an Association at Cincinnati. Thirteen of the saw manufacturers of the United States entered into that contest. It was a question of the metal of the plate that was tested, and not the particular construction of the saw. We entered into that contest with an offer of several premiums. The first premium was \$100 in gold, and the others were of less value; and so complete was the spirit of fairness with which that contest was conducted that, after all the tests were made, every contestant signed a document indorsing the fairness of the test. When we got through the result was that the saws made of American steel had carried away every premium from \$100 in gold down, and from that time the prejudice was conquered. Then came in, from that time, the question of price, and to-day the steel manufacturers of England, in consequence of the Protection given to our steelmakers by the Government of the United States, find themselves able to bring the price of English steel down to that of the steel plate manufactured in this country.

Now, then, what have we sawmakers done under this? We have been able to enter the English market with our saws. The largest saw manufacturer in the United States to-day has a place of business in the city of London. We are exporting saws from the United States into Canada and into other colonies of Great Britain; and we have been enabled by the skill and genius of American mechanics to place upon the market an article with which we can compete with them right in their own market. I wish I had more time on this subject, that I might enlarge upon it, but I must keep within my limitation. I merely mention this to show the progress that has been made in the production of steel.

I will tell you now what the sawmakers want; and I think I speak for all the sawmakers of the United States. We ask only to be let alone. We do not want a higher Protection. We are pro-

tected; and we want the duty left as it is. We are able to take care of ourselves, under the Protection of the last few years; but the English have come here not only with saws but with files; and they have taken the machinery that was conceived by the genius of the Americans, constructed by their labor and mechanical skill, back with them to England, and copied it, and they are now manufacturing files in England and shipping them back to the United States in competition with American manufacturers. With their cheap labor in the manufacture of tools and cutlery, where a whole family can be employed in finishing those articles, we can not compete with them without a high duty. It is for that that we ask Protection to be continued toward the sawmakers as it has been, and extended toward all our other interests, and with it America has a bright future before her as a manufacturing country.

The consent of the Convention was then obtained by Mr. Clinton Furbish to speak in behalf of the New York City industries.

#### ADDRESS BY MR. CLINTON FURBISH.

MR. CHAIRMAN AND GENTLEMEN: It is a matter of congratulation that the discussion of the question of Protection of American industries is now confined to a consideration of the best methods by which such Protection can be afforded. We have no longer to contend against any serious attempt to injure American manufacturers by the adoption of a Free-Trade policy, for, when the old-time advocates of that exploded dogma present their demands in the shape of "a tariff for revenue only, with incidental Protection to American industries," they have already renounced the teachings of Cobden, and have demonstrated their fitness to be humble students at the feet of Carey, Baird, and Kelley. But even those who have long been recognized as champions of Protection have also taken a step in advance, for the very organization of this Convention and the grave questions propounded for its consideration demonstrate that it is now well understood that simply a high tariff is inadequate for thorough Protection of our industries. Now, in order to demonstrate the necessity for "the appointment of a competent Commission to thoroughly investigate and report upon the progress, condition, and needs of American industries, and to recommend such tariff legislation as will be Protective in character, consistent in all its parts, and adapted to the present condition of

the business of the country," let us examine briefly what might be accomplished by such a Commission.

I think it will be admitted that in natural advantages America is more than equal to any of her European competitors. Our coal and iron are found much nearer the surface than is usual in Europe ; our climate is equally as salubrious ; while the genius of our institutions develops a class of laborers admittedly superior to that of any other nation. Yet, with all these advantages, it is admitted that our industries need Protection against the competition of foreign producers in our own markets. Now, to ascertain properly what tariff legislation, Protective in its character and consistent in all its parts, could be suggested as best adapted to the present condition of our industries, it will be proper to examine carefully that condition and the causes which render any Protection necessary.

The first point in the examination to which I ask attention is the condition of labor in competing countries, since labor is a potent factor in the cost of production. Looking to England we find that her laboring classes have been brought down to the lowest possible condition. Deprived not merely of all luxuries of life, but even of what in this country we consider its necessities, her pauper labor presents to us a seemingly insuperable barrier to successful competition, even in our own markets, without the Protection of a high tariff. For no advocate of a popular form of government would seriously champion a policy that would lead us to greatness as a manufacturing nation by means of a pauperized producing class, even though that infamous doctrine has received the sanction of so eminent an authority as a late Secretary of State. It need not be argued in this Convention that the only real stability of our institutions can come from a policy which shall gradually but surely elevate every class of our citizens, and, by such elevation, render them more competent to discharge the duties and obligations of American citizenship. And I believe that all history and experience teach that well-paid labor stimulates production by increasing consumption.

Starting, then, with an admitted and to be continued advantage against us of cheaper labor, the first object of the Commission should be to discover in what manner we can enable the better-paid labor of America to compete with the under-paid labor of Europe. Any curtailment of the requirements of productive industry is to that extent a burden upon labor ; and under our present system almost all of our taxes are ultimately a burden upon

labor, and by labor I mean every effort made toward the production and exchange of commodities.

The Convention then consented to hear Mr. John W. Hinton, of Wisconsin, representing the Northwestern Tariff Bureau.

ADDRESS BY MR. JOHN W. HINTON.

MR. CHAIRMAN AND GENTLEMEN: I do not want the Convention to look upon me as a beggar asking to be heard. I can say what no other man here can say: I have issued 185,000 of, I believe, reasonably-sound tariff documents. That is something to boast of.

More than fifty years ago I heard that a distinguished United States Senator visited London, and when he came to the edge of Smithfield he took off his hat and walked bare-headed over it; and when he was questioned he said it was a homage justly due, for every foot of it was made up of the bones of those who died in the cause of religious liberty. I tried to pay just such a compliment last Sunday morning, after an absence of thirty years from New York. I went to the Sub-Treasury building, and took off my hat, and stood there bare-headed, not because it had money in it, not because it held the treasure of the country, but simply because, although it seems to have escaped the attention of the people here, that spot of New York holds a position that no other spot in any other city can hold. On that spot the Constitution of the United States was framed. On that spot George Washington was sworn in as the President of the United States. And, greater than that, if I am rightly informed by history, the first tariff law in its strict sense was there passed and signed by George Washington—which is the grandest of all things to think of. I believe it was there that Washington walked into the halls of Congress clad only in fabrics of American make, wearing the livery of American homespun, to favor the cause of American production. I do not want to belittle Philadelphia, which is justly proud of its old Independence Hall, wherein swings its old, cracked bell; but in New York liberty, security, and prosperity were made possible under the first act of Congress, and I did not want to leave this Convention without at least leaving an Englishman's tribute to the grandest spot on God's earth.

The Convention then consented to hear Mr. D. G. Cahoon, of New York, in regard to the mining of iron and copper pyrites.



## ADDRESS BY MR. D. G. CAHOON.

MR. CHAIRMAN AND GENTLEMEN: I beg your consideration and attention in behalf of an industry now dormant, owing to the present tariff laws. The industry of which I speak is the mining of iron and copper pyrites, from which sulphuric acid is made. About 1868 and 1869, on account of the cost of crude brimstone and sulphur, imported into the United States principally from Sicily, chemists engaged in the manufacture of sulphuric acid from crude brimstone and sulphur were looking toward the possible use of iron and copper pyrites. Investigations were made both as to the practical use of pyrites and the amount that could be practicably mined and transported to chemical works situated in New York, Philadelphia, Boston, Chicago, and other places. As to its practical use there was no doubt, because England was already manufacturing sulphuric acid from pyrites, and to-day is using above five hundred thousand tons per annum.

Upon investigation large quantities of both iron and copper pyrites were found of easy access to railroads, and could be laid down in New York, Philadelphia, Boston, and Chicago, at a cost not to exceed \$10 per ton. A firm in New York using brimstone remodeled its works, arranged with parties in St. Lawrence county, New York, to furnish it with pyrites, and used about 3,000 tons yearly for three years with success. In an act of Congress passed July 14, 1870, brimstone was placed upon the free list, and with the reduction of \$6 per ton, which was the duty on brimstone, and a further decline in price, our chemists, not knowing at that time the full value of pyrites, thought best to continue the use of brimstone. Chemists in Chicago, Boston, and Buffalo had also remodeled their works, and were completing arrangements for the use of pyrites. But as soon as that act of July 14, 1870, was passed, placing brimstone on the free list, the use of pyrites was very nearly abandoned.

Parties in St. Lawrence county are furnishing chemical works at Brockville, Ontario, Canada, three thousand tons per annum, and might furnish one hundred thousand tons per annum to chemical works in our own country, should an act be passed restoring the duty on brimstone. In doing this it would work no injury to chemical manufacturers, as I will show. The price of brimstone has advanced, and the price now is from \$33 to \$35 per ton. The percentage of sulphur is supposed to be 100. Now we will consider the

price of brimstone \$33, and its yield 100 per cent. of sulphur. Iron pyrites, and I speak of iron pyrites because I know more about it than copper pyrites, can be laid down at New York, Philadelphia, Boston, Chicago, and other places for \$10 per ton. The yield of sulphur in pyrites ore is from 35 to 42 per cent., and in speaking of the yield I refer more particularly to the yield of the almost inexhaustible mines of St. Lawrence county. Now the yield being say 33 per cent., which is a safe basis, and the cost \$10 per ton, the price per ton as compared with crude brimstone would be \$28.57; the balance in favor of using pyrites would be \$4.43 per ton. The cost of manufacturing is about the same. No fuel is needed in burning pyrites after starting the furnaces, and some claim this to be more than an offset for handling the extra bulk.

There is so little difference at present between the cost of brimstone and pyrites that chemists do not see any advantage to induce them to remodel their works and use pyrites instead of brimstone, although some know and understand that pyrites can be used to a better advantage than brimstone at its present cost, and are looking toward its use. Now the only thing needed to bring pyrites into general use is a Protective duty—an act to place brimstone again on the dutiable list. With such an act thousands of our own countrymen would be benefited, our mineral wealth developed, and a large revenue secured to our own country. England is manufacturing acid from five hundred thousand tons of pyrites per annum, and there is no reason why we should not make as much acid as England. If we used five hundred thousand tons at \$10 per ton our country would be benefited five million dollars per annum; the industry would furnish labor for a large number of men and teams, and it would supply freight for railroads; and in doing all this it must be borne in mind that such an act would not increase the cost of sulphuric acid, but would rather cheapen it and thus be a benefit to the class using it. The only disadvantage to the manufacturers themselves would be the remodeling of their works, but this once accomplished a permanent advantage would be gained, because they would not be dependent upon foreign countries for supplies, and would be subject to no great fluctuation in price.

Iron pyrites can be found in almost every State in the Union. I would guarantee to furnish one hundred thousand tons per annum for twenty-five years from St. Lawrence county, in this State, and do not believe for a moment that this amount would in the slightest degree exhaust the mines. The Georgia Chemical and Mining

Company, which has lately erected works at Atlanta, Georgia, for the purpose of manufacturing sulphuric acid from pyrites, will be watched with interest. Dr. H. H. Pratt, the managing director, states that these works are built on the English model, and will use three thousand tons per annum. The residuum remaining in the process after drawing off the acid will be treated for copper, and this process will leave still another residuum—an iron ore of a very high grade, which he estimates will be equal to one-half the original quantity of the pyrites ore; in other words, from two thousand pounds of iron pyrites ore one thousand pounds of high grade iron ore can be produced. Dr. Pratt's process of extracting the iron from the pyrites ore is no longer an experiment but a settled fact, and should pyrites come into general use in the manufacture of sulphuric acid a large amount of high grade iron ore would be produced.

In behalf of those owning mines of pyrites, and for our public good, I believe that you will agree with me that the coming Congress should be asked to restore again the tariff on an article that will injure no manufacturing interest, but be a benefit to many kinds, and be the means of developing an industry that will employ a large number of our laboring class and enhance the wealth of our country millions of dollars every year. Now, with these facts before us, is there any industry undeveloped that needs encouraging more, and that by being encouraged and developed will bring greater returns to our country?

The Convention then consented to receive a paper by Hon. John Burt, of Michigan, representing internal commerce.

#### PAPER BY HON. JOHN BURT.

MR. CHAIRMAN AND GENTLEMEN: The construction of a ship canal around the Falls of Niagara on our side of the river has from time to time been agitated, and surveys have been made by order of the General Government. At several times there were strong hopes of the project being undertaken in earnest, and consequently accomplished, by this Government; for it always accomplishes what it undertakes to do, even to dictating to its mother (country). Consequently, if the United States undertakes to construct a ship canal around Niagara Falls, and, with the consent and co-operation of the State of New York, to extend that canal through the State to the Hudson river, and to improve that river to this city, it will be accomplished.

The first attempt to construct a canal at Niagara Falls was made in 1823. An organized company was chartered by the Legislature of the State of New York on April 11, 1823. This company had a survey made by Nathan Roberts, an engineer of the Erie Canal from its commencement. He made full and careful reports for a canal with single locks, the cost of which he estimated would be \$1,000,000, but nothing further was accomplished. Since that time the General Government has had several surveys and estimates made. One was made under General Jackson's Administration, in 1835, by Captain W. G. Williams, topographical engineer of the United States army, who estimated the cost at \$3,000,000. It is believed that the failure to construct the canal at that time was in consequence of the financial crisis of 1837.

The last, most important, and most thorough survey was made in 1867 by Col. E. C. Blunt, of the United States army. He estimated the cost at \$12,000,000. Hence we see how the estimates of cost have increased as time rolls on, and ships of larger capacity are built, causing ship canals to be constructed to correspond with the size of the vessels used in the commerce of the country, if we would keep pace with the progress of the age and be able to compete with our improved railway appliances.

A convention recently met at St. Louis, and passed resolutions looking to the improvement of the Mississippi river and its tributaries, for the purpose of cheapening freights to European ports. That such improvements are demanded, and that they are eminently proper for the Government to undertake, there can be no doubt. But that it is the best and cheapest route for the great bulk of produce to take, as some in that convention and others outside of it seem to think, there are in the minds of many in this latitude grave and reasonable doubts. The central latitude of the great grain-producing region of this continent may be set down at say 42 degrees (that of Chicago). To transport this grain down the Mississippi and into and through the Gulf of Mexico would carry it to 23 degrees north latitude, into a warm if not hot Gulf Stream, and 1,200 miles directly out of the shortest and best route to European ports. In other words, it would be forced out of its most natural route into one of much greater distance and more damaging to the grain on account of heat than the shorter route by the great lakes and a ship canal to the Hudson river and the improvements of that river to the city of New York.

The canal and river improvements should correspond in depth of

water to that now adopted for river and harbor improvements on the chain of great lakes, viz., 16 feet. The St. Mary's river and canal connecting Lakes Huron and Superior are being deepened to 16 feet (low water) by the General Government, and will doubtless be completed to that depth in a year or two, at which time one of the greatest and best wheat-producing countries on the continent of America will be ready to pour its millions of bushels into the large class of vessels now employed on the lakes. It may be said that the new Welland Canal and others on the St. Lawrence will be completed, and meet the demand for an outlet to the ocean for deep draught vessels. No doubt that will to a certain extent be so; but when it is remembered that the new Welland Canal only provides for 14 feet of water it is at once obvious that we must provide our own outlet to the ocean with our system of 16 feet, or suffer loss. Our grain and other commodities destined for European ports will pass into the Atlantic via Montreal, and consequently leave the great city of New York out in the cold, so to speak. New York will then mourn over her remissness in not providing for this contingency in time by aiding the General Government in building a suitable canal on her own soil around Niagara Falls, only seven miles in length, that would accommodate all the merchant marine. It would also secure this nation against another and possibly greater contingency, in case of any serious unpleasantness between our own country and that on the other side of the line.

The true policy for this Government and the State and city of New York to pursue is to immediately set about the construction of a canal of suitable dimensions around the Falls of Niagara, and enlarge the Erie Canal from Oswego to the Hudson river, and deepen that river to correspond with the enlargement of the canal, and, if possible, enlarge the canal from Oswego to correspond with the Niagara Ship Canal. That should by all means be provided for as soon as possible.

Of the practicability of enlarging the canal from Oswego to the Hudson river there can be no doubt. The only question that can arise is that of water supply, which of course is of great moment, but it is believed that a sufficient supply can be provided. This will complete a system of cheap transportation to the seaboard through our own territory, and render us independent of any foreign power.

The Convention then consented to receive a paper from Mr. W. R. Thomas, of Pennsylvania, representing the tinplate workers.

## PAPER BY MR. W. R. THOMAS.

MR. CHAIRMAN AND GENTLEMEN: Our grievance is such that my story is rather sad—but instructive. We have no Protection. The result is that our tinplate factory is closed, and we are forced to idleness or to seek work at some other employment than our trades, which places us at a great disadvantage. Although it is with labor's interest I have to deal here, I find that ours and our employers' cry is the same. We want Protection. The grievances of both are alike. Our trades are useless to us. The capital invested in buildings and machinery for the manufacturing of tinplates is also useless. Both employer and employee suffer for the want of Protection.

Capital's interest is often considered paramount to labor's, but we believe labor's interest is the most important. Capital seeks gains and the accumulation of wealth, while labor seeks for the necessities of life and for comfort. We may often differ in opinions, but we firmly believe that the interests of labor and capital are so closely allied, especially when seeking and working for a Protective tariff, that we may truly say that both interests are one and the same.

It has been stated that we can not manufacture tinplates. Why? Do we not now manufacture iron that will compete in quality with iron from foreign countries? Yes. Then that is the most difficult part of the manufacture of tinplates. The tinning or coating process is easy, and is the best part of the trade; of course it requires experience and skill; but it is remunerative and employs many. In the mills at Demmler, Pennsylvania, they still manufacture iron sheets fit to be tinned, but there they must stop, for as soon as those plates are coated with tin they become of less value, although they have gone through a costly process. They would when tinned not have the Protection they would have had as plain iron sheets.

The decision of the Secretary of the Treasury which classed tinplates as "tin in sheets or plates," and also stated that they should be galvanized before they should be admitted as tinplates, is very absurd to us; but it is evident that the gentleman did not know that tinplates are iron plates or sheets coated with tin. I have met many people who did not know that there was any iron in tinplates. For the benefit of those I will, as a tin-worker, make this statement: Tinplates are iron plates coated with tin. To manufacture one box of tin plates, 14 x 20, IC., or 30 gauge, the iron will weigh 104 pounds before it is coated; after being coated and ready for

market it will weigh 112 pounds. To manufacture one box of tinplates, 14 x 20, IX., or 28 gauge, the iron will weigh 132 pounds before it is coated; after it is coated and ready for market it will weigh 140 pounds. The thickness of the tinplate does not matter; the same amount of tin is used for coating the surface, all the difference being in the thickness of the iron.

Terne plates are worked in the same manner. The difference is in the mixing of the metal for coating; lead being mixed with tin for the coating of terne plates. These terne plates were formerly used for roofing and lining purposes; but now we find them often in fruit cans, sauce-pans, and coffee-pots. Our food is thus dangerously poisoned by the lead in the mixture. Foreign manufacturers thus lessen their cost of production, and our doctors' and undertakers' bills increase according to the extent that we use their goods.

The manufacture of tinplates was started here some eight or nine years ago with good prospects, but soon the importers, to crush us, brought the prices down with such rapidity that we had to stop. Again we started for awhile, but in April, 1878, we came to a dead standstill, and have remained so until this day. We now appeal to the generosity of this Convention and its sympathy for American industries, to assist us to get the law enforced as written. We ask but for the same help extended to similar trades, which we think is just and nothing but fair. We have done all we could. But we are not strong. We can not command influence enough on the authorities, who have the power to right our wrongs. But we have confidence in you, gentlemen, and believe you will not "despise the day of small things." We pray you to give us your united strength and influence to secure to our industry its just share of Protection. Then you shall see "a little one become a thousand, and a small one a strong nation." We have learned such a lesson in these four years of hardships, begging for work to earn a livelihood for ourselves and families, that when we become strong we will have such deep sympathy that we will never forsake those who will need our aid.

The Convention then permitted Dr. James Wilhelm, of Minnesota, to present a paper on behalf of the sorgho-sugar industry.

#### PAPER BY DR. JAMES WILHELM.

MR. CHAIRMAN AND GENTLEMEN: Perhaps the best plan by which we can prove that we have an industry worthy of Protection

is to give a short statement of the rise and progress of sorgho canes in our country.

Very nearly thirty years have elapsed since Ray created so much excitement throughout the land by the promised revolution he was about to create in our sugar production.\* As a matter of course failure met him at every point. From that time the production of sugar from Northern canes has had its spurts of partial success and final failure. The business gradually settled among small farmers, or sorgho operators, producing only common, crude molasses, which has had quite a demand in the vicinity in which it is produced. During all these years there were continually appearing wonderful discoveries in processes and machinery. There were plenty of men always ready to grasp hold and invest, causing charlatanism to reign supreme, and their willing victims to wake up to discover a failure and the same old, crude molasses as an offset to their investment.

But during all these years these canes were continually improving; so much so that practical and scientific men commenced a series of experiments that have proven truly wonderful in their results. At this point in our remarks it would be a good place to review the history of sugar-making in the world, but we deem time too valuable to the Convention to intrude so lengthy a history; suffice to know years were consumed in perfecting a process for the extraction of sugar from the ribbon or tropical canes. You are all aware of the rapid strides that were made after the discovery of true crystallized cane-sugar. Perhaps no branch of mechanical science during the last century has called out such varied experience as sugar-making. Many valuable improvements have been made and are still being made; so much so that greater quantities of sugar are being produced from a given quantity of cane than formerly, to say nothing of quality. But as I desire to confine my few remarks to sugar-making from Northern cane, as we are now conducting it in Minnesota, I will proceed with my own experience.

Over fifteen years ago I was thoroughly convinced that there was a future for these canes. Enough had been proved to convince almost any investigating mind that there was a base to operate on, shown by the accidental sugars produced in the hands of totally-inexperienced operators, and by the direct analysis showing a percentage of cane sugar about equal to the tropical canes. With these facts learned I plodded on step by step, first with the determination to construct machinery to produce the desired result. I was soon con-



vinced that something more was required than machinery—thorough clarification and defecation; the destruction of such acids and gums as were destructive to sugar; a thorough control of heat so as not to invert or caramelize the cane sugar; rapid handling of liquors so as to prevent fermentation; a thorough system and arrangement of machinery; a thorough knowledge of cane culture and the handling of cane after maturity; a practical knowledge of sugar chemistry; in short, it is a business to be learned, after which sugar-making is quite simple.

I will now speak more particularly of our experience during the past few years. After so much had been said and published about amber cane in Minnesota I was induced to visit the State and thoroughly investigate what had been done, but found nothing but the same crude operations peculiar to all parts of our country. I commenced a series of experiments with the assistance of analysis, and I was soon convinced that I had found a superior field of operations. I was so well pleased that I commenced fighting the battle. After three years of hard work we feel proud of the achievement gained. Where once reigned chaos and uncertainty now stands a manufacturing certainty, as the samples of sugar and syrup I have placed before you will plainly prove.

But to show the true magnitude of our new sugar industry I will briefly present some points mostly overlooked. Well-farmed land will produce from 12 to 18 tons of No. 1 cane per acre. One ton will yield from 12 to 16 gallons of syrup, string proof. Each gallon of syrup will yield from 5 to 7 pounds of good dry sugar, still leaving a quantity of good syrup. This syrup, remaining after the sugar is thrown out by centrifugal force, is No. 1, at present readily selling at 60 cents per gallon, wholesale. The sugar can be classed as "clarified C," with us in the West selling at 10 cents per pound by the barrel. This is all owing to its purity, polarizing from 94 to 98. With proper equipment and well-farmed cane you can safely depend on 700 to 1,000 pounds of sugar per acre, with a residue of 60 to 75 gallons of No. 1 syrup. Cane can be grown in the West, laid down at the mill, and worked into string-proof syrup for less than 20 cents per gallon. From these figures you can make your own estimates and draw your own conclusions. In giving you these conclusions remember they are from our own experience; and not from laboratory experiments, but from field and refinery work on a scale of some commercial magnitude. I know reports have been published from laboratory experiments that were wonderful in

estimates and showings, but when put to practical test on a large scale they proved very disastrous to the enthusiast who had neglected a previous scientific and practical preparation. I attribute our success to thorough preparation and practical experience gained by previous careful experiments and study; modern machinery, perfect in all its details so as to be adapted to Northern or tropical canes; and such a knowledge of sugar chemistry as would at all times enable us to steer clear of the many obstacles constantly thrown in the way of the operator.

Perhaps we have said enough to convince you that our Western sugar and syrup making is no myth; hence we will devote the balance of our time to questions prominently before the Convention. Now that we have rendered this new departure of sugar-making a practical and commercial business, it behooves our Government to protect it while it is yet in its infancy. We are yearly sending out of our country over one hundred million dollars for raw sugars that should be made at home. Imagine this immense sum added to our working capital; what would be the result in a few years? As our country is so rapidly filling up by natural increase and by immigration, we should naturally stimulate the production of such articles as we are importing, as there will always be enough to produce articles that we are heavily exporting. We should never be placed in a position that would compel our capital and labor to compete with the pauper and slave labor of other countries. This sugar question naturally opens up a wide field of thought for the political economist, capitalist, and statesman.

Not many years ago we were importing many articles that we are now exporting. Now that the balance of trade is vastly in our favor, which is plainly shown by our present prosperity, we should use our best endeavors to foster every industry that will render us still more self-sustaining and independent. With a daily consumption of thousands of tons of foreign sugar, what would be our condition in case of a maritime war? Sugar is no longer a luxury but one of the life-sustaining staples. Analysis shows a greater percentage of sugar in the cane grown in the West than in the beet root now paying so handsomely in Germany and France; so you see we have the elements within ourselves to make wonderful strides and crush out the vile adulterations that have pervaded our sweets, both in sugar and syrup, and almost annihilated what was once known as pure sugar. The West and South with their millions of

acres of arable land yet uncultivated offer a vast field for immigration, not only of foreigners, but of the thousands of poor people pent up in our Atlantic cities. As our population is so rapidly increasing, we have greater need to utilize our surplus labor in producing such staples as we are now importing. We are heavy exporters of wheat, corn, flour, pork, beef, raw and manufactured cotton, and many other articles now produced in excess of our consumption; hence, as our sugars are almost all imported, there should be united action, not only by Congress, but by the whole people of our country, to protect and in every way assist the good work now begun. By so doing we will soon see the effects in all branches of manufacturing. It will call out latent talent, not only in mechanics but in field and refinery work. It will give employment to thousands of men and boys. It will furnish safe investments to millions of capital. It will increase the price of lands. It will keep at home over \$100,000,000, which would be a powerful addition to the working capital of our country.

The committee on address and resolutions then submitted its report through its chairman, Cyrus Elder, Esq., who read the report in full. An animated debate ensued concerning the attitude of the Convention on the question of recommending the abolition of internal revenue taxation. The Convention discussed the report until 7 o'clock, when the further consideration of the matter was postponed until after the delivery of the address of Mr. John Roach at the evening session, and an adjournment was taken until 8 o'clock.

#### EVENING SESSION.

In the absence of the Permanent Chairman the Convention was called to order by Col. D. F. Houston, who announced that the fourth topic for discussion would be taken up, viz.:

#### THE EXTENSION OF OUR FOREIGN COMMERCE.

The Chairman announced that the first speaker on this topic would be Mr. John Roach, of New York City.

#### ADDRESS BY MR. JOHN ROACH.

MR. PRESIDENT AND GENTLEMEN OF THE CONVENTION: The war drove American ships from the ocean. American shipping in-

terests were thoroughly destroyed by the operation of the last war; and the industry which was lost to America was replaced by the industry of the most grasping, enterprising, and intelligent of all the nations of the earth. In order that you, gentlemen, manufacturers, should understand the extent to which the American shipping interest has a right to complain, I put it to you in this plain, blunt way: What would you, as manufacturers, think if your factories had been literally swept out of existence by some process, and their place taken by English manufacturers; and what remedy would you ask to have them restored to their original condition of prosperity and usefulness? The only remedy you could ask would be a proper Protection; and that is the only remedy which the shipbuilding and shipowning interest of the country asks of you now. We simply ask you to extend to us the helping hand that you have extended to yourselves, to enable us to put the shipbuilding and shipowning interest of the United States on the basis to which it is justly entitled.

I, probably, have the strongest temptation of any man in the whole manufacturing interest to become a Free Trader; but I am an American who believes that the true doctrine is to buy from American producers, knowing, as I do, that it is the only safe way. In a spirit of explanation, and not in a spirit of egotism, I will read you a little list of the articles that are required to carry out the contracts I have on hand or have undertaken between the 1st of January, 1880, and the 1st of January, 1882. They are: 3,450 tons of pig iron, in round numbers, representing a value of \$86,250; manufactured iron, plates, bars, angles, rivets, forgings, etc., 47,824,000 pounds, representing a value of \$1,673,840; copper, 805,000 pounds, representing a value of \$193,200. Then, without giving a detailed account of the value of every item, there is lead, 127,509 pounds; lumber, 6,750,000 feet; coal, 18,000 tons. I doubt if, when this free-shipping question was before Congress for many years, anybody was so tempted to be on the side of free shipbuilding as the poor shipbuilder. If our manufacturers only understood how powerful a wedge the free-ship bill was in the interest of Free Trade! Some of our manufacturers had an idea that it did not affect their interest, but the following statement will explain.

I will not take up your time by remarks on each of the many articles contained in this list; but I will read it just as it is. It includes the material and outfits for steamers completed and contracted for by John Roach & Son from Jan. 1, 1880, to Jan. 1, 1882.

Pig iron, 3,450 tons.....	\$86,250 00	
Manufactured iron, plates, angles, bars, rivets, forgings, etc., 47,824,000 pounds.....	1,673,840 00	
Copper, 805,000 pounds.....	193,200 00	
Lead, 127,500 pounds.....	8,925 00	
Lumber, 6,750,000 feet.....	305,000 00	
Coal, 18,000 tons.....	90,000 00	
		\$2,357,215 00
Anchors.....	9,780 96	
Chains.....	22,968 42	
Boats.....	16,650 00	
Life-rafts.....	6,660 00	
Steam windlasses.....	30,200 00	
Capstans, steam and hand.....	8,200 00	
Life-preservers.....	8,670 00	
Hose.....	4,265 00	
Fire buckets.....	1,977 00	
Axes.....	300 00	
Deck lines.....	14,736 80	
Lamps and lanterns.....	16,800 00	
Nautical instruments.....	6,425 00	
Flags.....	4,200 00	
Rigging wire, manilla, and blocks.....	23,900 00	
Sails and awnings.....	21,600 00	
Canvas for decks.....	12,850 00	
Plumbing and brassing.....	43,500 00	
Steam-pumps.....	27,800 00	
Steam-gauges.....	3,300 00	
Upholstery, bedding, linen, etc.....	91,592 64	
Carpets.....	31,516 60	
Silverware.....	24,707 40	
Stoves and kitchen and cooking utensils.....	17,809 60	
Crockery and glassware.....	11,606 41	
Gas and steam pipe and fittings.....	28,000 00	
Hoisting-engines.....	35,600 00	
Spars for masts.....	12,500 00	
Paints and oils.....	65,000 00	
Joiners' hardware, locks, screws, etc.....	16,700 00	
Covering for boilers, pipes, etc.....	18,000 00	
Engineers' tools and instruments.....	9,000 00	
Drawing-paper, tracing-cloth, etc.....	3,500 00	
Cabin and stateroom furniture, chairs, tables, brushes, pails, baskets, cuspadores, etc.....	15,675 00	
Glass for side-lights and windows.....	5,860 00	
Porcelain and glass name-plates.....	2,500 00	\$674,350 83
Total amount.....		\$3,031,565 83

Here is a sum total of \$3,031,565 worth of supplies bought in this country by one yard. The shipyards of Harlan & Hollingsworth, Cramp & Sons, and others, use goods of the same character. There never was a shrewder and a more determined blow aimed to strike down the whole Protective system than there was in that free-ship movement. It went further than that, because it gave a great opportunity for smuggling and cheating the Government. The owner of a ship came here with a ship fitted up with everything; he could sell his whole outfit without paying duty, and go back to England and refit. Who ever thought that the free-ship bill could have resulted to the interest of the smuggler of linens and upholstery?

Now, gentlemen, I have made my speech to-night; but I have prepared for the hearing of this Convention that which is nothing but the experience of a man for fifty years of dealing with nearly all your industries. My voice and my sight will not permit me to read it; and I therefore ask the President to have it read.

(Mr. Theodore C. Bates, of Massachusetts, one of the Secretaries of the Convention, then read as follows:)

This Convention is called together, as I understand it, for the purpose of discussing our present revenue laws. It is widely claimed, and no doubt it is true, that there are some modifications necessary to be made in those laws. This would be wholly reasonable, as great changes have taken place since those laws were enacted. The subject is of the greatest importance to the whole country, for the continued agitation of the question of Free Trade and tariff for revenue only has disturbed capital and labor, and checked many an enterprise. If there is no justice in the complaints of the advocates of Free Trade and tariff for revenue only, that fact should be made known. If there is reason for a change of policy or a modification of existing duties, that fact should be made known. What we want, gentlemen, is to get at the facts, and at the whole of them, and then have this matter settled, so that capital and labor may know just what is our fixed national policy, and may feel secure.

If changes in our revenue laws are necessary, how shall they be made? Would it be wise to make them without thorough investigation? There is scarcely an industry in the whole country which is not affected by those laws in some way. The object of this Convention, therefore, is to make a careful investigation of the revenue laws and their operation, and see whether they are for the benefit of the whole country. I know of no work more important to be done and to be done right.

Andrew Jackson, whose broad statesmanship will not be questioned any more than will his love for America and her institutions, said: "Build your factories and workshops close to your plantations and your farms, and you will confer inestimable and innumerable blessings on the whole of the American people by that policy."

It was these words of Jackson that set me to studying the meaning and aim of Protection. What do his words mean? Do they mean that we should take the product raised in Tennessee to Great Britain, 3,500 miles away from the plantation? Ah, no! They mean that Jackson recognized that by doing both the raising and the manufacturing at home we should confer inestimable blessings on our people. They mean that he recognized God's plan in making men fit for a diversity of employments, and that if this nation was to become great it must furnish employment within itself for all these diversified gifts. That idea of Jackson's, it seems to me, is the very bottom principle of Protection.

There is a radical difference of opinion about the revenue laws. On the one side are the men who have studied the application of those laws to our industries before they invested their capital in them, and with a view to such investment. These men, we may be sure, have carefully considered the relations existing in the production of manufactured articles between the rates of labor, capital, and taxation in this country and the other countries with which they have to compete. As practical men, engaged in the business of developing and building up American manufactures, their opinion must be of value and weight.

On the other side are the men known as Free Traders and tariff-for-revenue-only advocates. And of these men I may say, without injustice, that, so far as my experience has gone, they are men who have little or no capital invested in manufactures, who neither intend nor expect to invest any, and whose interest in this matter is therefore to be sought for somewhere else than in the development of American industries. Some of these men are undoubtedly honest in their advocacy of Free Trade; but it is my opinion that they are mistaken.

Let us consider for a moment the tariff-for-revenue-only advocate, and see if we can dispose of him. It is claimed by this advocate that \$130,000,000 a year is all the revenue required to pay the expenses of the Government, and that this amount distributed on imported manufactured articles would furnish all the Protection

our manufacturing interests need, and that all beyond that is monopoly.

Now I do not know the exact figures, but I know I am within the sum when I suppose, for the purposes of illustration, that there are invested in this country and in England \$4,000,000,000 each in manufacturing interests, for plant and working capital.\* The average lowest annual rate of interest on this amount in the different States would be 7 per cent., or \$280,000,000 a year. The rate of interest on the same amount in England would be 3 per cent., or \$120,000,000. Add to this the \$130,000,000 to be put on the English manufactures (though somewhat of this would go to France and Germany—say \$10,000,000 of it) for revenue, and the account stands thus:

American manufactures, interest on \$4,000,000,000.....	\$280,000,000
English manufactures, interest on \$4,000,000,000.....	120,000,000
English manufactures, tariff for revenue.....	120,000,000—240,000,000
English advantage over American manufactures, annually.....	\$40,000,000

What Protection, I should like to ask, would that tariff for revenue only be for American manufacturing interests? The simple amount of it is that a tariff for revenue only is nothing but *Free Trade in disguise*. It can be seen at once that the American workingman is left out in the cold. It means, practically, to throw open the whole of the ports and business of the country to the free competition of all other countries. Henceforth we may treat the tariff-for-revenue-only advocate and the Free Trader as working virtually for the same end so far as our manufacturing interests are concerned.

I have shown you the advantage possessed by the foreign manufacturer in the matter of interest, and how that advantage alone wipes out the item of revenue tariff. Now let us look at another point—the vital point of this whole question—*labor*.

Suppose three different branches of business are started simultaneously in this country and in England—a woolen factory, a rolling mill, and a shipyard, each with a capacity of employing 1,000 men. The average wages of these skilled workmen in either of these shops here would be \$2 a day, while in England they would be \$1.20. The account would stand thus:

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\* As we had \$3,000,000,000 in 1870, when the census of 1880 is done it will certainly show more than the sum I assume.



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Wages 1,000 skilled American workmen, one week.....	\$12,000
Wages 1,000 skilled English workmen, one week.....	7,200
	<hr/>
Difference in wages in favor of English manufacturer, per week.....	\$4,800
Wages advantage of English manufacturer, per year.....	\$249,600

Now I want to ask any practical and sensible man how long the American factory could be run and its men be kept employed, in competition with the English factory, unless one of two things was done: 1. Unless the wages of the American workmen were reduced to correspond with the wages of the English workmen; or, 2. Unless by a duty the American labor was protected against the half-paid labor of Europe, so as to enable the American employer to engage in the competition.

The sooner our people understand this tariff question, that it is not merely a question of tariff for revenue, but of Protection for American labor employed in the development of our industries and natural resources, the sooner will its right and sound economical solution be reached. Is it not plain that a tariff for revenue only would close nearly every workshop in our land?

What would be the effect of that? Does the Free Trader take into account the great interests that are bound up in these workshops? Let us inquire into this a little further, and see if the Free Trader wants to give the American workingman an even chance to earn his present wages.

It must not be forgotten that the factory in which the American workman is employed, and the tools he handles, and the capital that keeps him at work, all pay taxes for the support of the city, town, and county government, for the maintenance of the schools where his children are educated, and for the support of the poor. These taxes add to the cost of the manufactured article. But the tariff for revenue only would allow the products to be poured in upon us of foreign factories, which pay nothing for the support of American institutions.

Now what I want the Free Trader to do is to be honest in this matter. It is certain, as I have said, that, to enable our manufacturers to compete with foreign manufacturers under a tariff for revenue only, the cost of American labor must be reduced. As the Free Trader, of course, disclaims the intention to close up any of our workshops, the only conclusion left him is the reduction of the wages paid to our labor. And so I want him to call meetings of the workmen all over the country, and tell them frankly what

his policy means: "Workingmen of America, you are now occupying a position that does not belong to your class. You enjoy too many of the comforts of life. You provide too well for your family; you are too well fed and clothed; you are altogether too well off. Men of your class in other countries do not fare as you do. We can not compete with the manufacturers of these other countries, where labor is down-trodden and half paid, unless you will be content to receive the same half-pay wages and come down to the same squalid condition. It is your duty to do this. Why? So that we can adopt a policy based on the beautiful theory but practical absurdity of Free Trade. To whose good? Oh, to the good of foreign manufacturers and their agents and commission merchants in this country, who are all Free Traders to a man."

This is what the Free Trader ought in honesty to say to the workingman. But, instead, he too often tries to deceive by saying that a dollar in the old country will buy more than a dollar and a half here. Does he tell the truth in that? Do not the bread and meat go from here there, and are they not cheaper here where they are produced? Yes; and more than that, it makes little difference to the foreign workingman what the prices of even those necessities are, since he can not afford to buy meat save as a luxury in his own country. What can he buy cheaper? The few and poor clothes that he wears; and even these are only cheaper because the men who make them are half paid. What he can buy cheaper he is mostly unable to buy at all. It takes all his scanty wages to get food for himself and family, and he considers himself lucky if he can get that, though it is not such food as he gets here.

The best answer to the talk about the greater purchasing capacity of the dollar in Europe is to go to Castle Garden and inspect the thousands of poor, honest mechanics that land there. Look them over from head to foot, and you will see what the purchasing capacity of their day's wages is; then look at them again, after they have been here a few years, and mark the difference. But this workingman has come from that very condition of Free Trade which this country is urged to adopt. How is this? If Free Trade will be so good for America and American labor, how is it that it has proved so bad for European labor? If it has proved bad there, why should it prove good here? And why should any sane man fool around with dynamite, when he has just seen an explosion from handling that dangerous material?

It is certain that Free Trade will not aid the American manu-

facturer and workingman. But the Free Trader declares that it will benefit the farmer. On the farmer he makes his strong point. He tells him that if he could buy his plow, his wagon, his clothing, and so on, from foreign manufacturers, and exchange for them the products of his farm, he could save from 10 to 25 per cent. It tells him that he could then buy for \$9 what he now pays \$12 for. But it does not tell him that by this policy he would lose his home market, and hence his means of getting even the \$9. It does not tell him that of all the agricultural products of the United States only one-tenth is sent to foreign markets, and not so much as that unless a short crop in Europe creates an extra demand. Now, let the farmer draw a line and put on one side the farmer and all who are employed to produce the agricultural crop. Put on the other side the vast number of people engaged in industrial pursuits, from the mine to the factory, and those also in professional and business pursuits. The former are the agricultural producers; the latter are the consumers, who use, at least, six-tenths of this whole crop, allowing three-tenths for the farmers themselves and one-tenth for the foreign market.

Reduce the wages of the workingmen, who make a majority of the consumers, and you at once reduce the buying capacity of all the rest; for the landlord must take lower rents, and the doctor smaller fees, and the merchant must either sell lower or less, and so on. And in this reduction you have also reduced the capacity of the whole community of consumers to buy from the farmer. He must either lower his price and lose his profits, or see his grain rot on his hands. A splendid benefit Free Trade would be to him, wouldn't it?—destroying the market which consumes nine-tenths of his products in order that he may buy cheap goods in the market that consumes one-tenth of his products, and will only take that at an almost profitless price, or when the home crop in Europe is short.

When the farmer investigates this subject he will see how false is the declaration that Free Trade would benefit him.

The wonderful growth and prosperity of the West have been sounded all over the world. But the time was when the West had all the great natural wealth which it has to-day and was burning its corn for fuel because there was no market for it. What made for the great West the market that has brought it wealth and prosperity? Was it not the policy that developed the mines of the North and West, that built up factories and workshops, that brought

hundreds of thousands of workingmen to fill them? That was what created the home market. And under that policy the North and West have prospered. Reduce the purchasing capacity of the workingmen, manufacturers, and mechanics of the North and West, and you destroy their prosperity to that extent.

Again, if you close up the factories by this Free-Trade or tariff-for-revenue policy, what are you going to do with the workingmen? Nothing would be left for them but to turn to the government lands. Over-production must follow, and over-production in this line would be as fatal to the farming interests as over-production in the manufacturing line is to the manufacturers. And more so, for the products of the loom and the anvil will keep for a better market, while those of the farm will rot.

Again we must ask, then, who is to be benefited by our adoption of Free Trade? Surely some one, or why this constant outcry?

The population of Great Britain is about 38,000,000. She has capital invested and skilled labor enough to supply the wants of 200,000,000; that is, she can produce of manufactured goods five times more than she can use. She can not raise her own bread or meat. She is using all her powerful influence in this country, in my judgment, to establish here a policy by which she can send the surplus products of her workshops to us in exchange for bread and meat and cotton. To do that our workshops must be closed up and our skilled labor sent to the cotton and corn fields. That is the consummation which the English Free Traders are moving heaven and earth to bring about. How does it look to have a foreign people sending pamphlets to American farmers asking them to support only candidates who will vote in Congress for Free Trade, (which means vote in support of the English interests against our own,) and it can not be denied that those pamphlets are circulated; they are here now by the thousand.

It is well to note, in this connection, what argument certain English employers used recently to induce striking cotton weavers to return to work at starvation wages. The employers told them, to quote from the English press, that they could not pay more at present because they had to put their goods into the American market at the lowest price, to break up the American manufacturers; that they hoped soon to accomplish that, since there were good prospects that Free Trade would be adopted in America, and, if it was, within a year they would be able to pay their men good wages, and promised to do so. On those conditions the men went to work.

I give this because it is so often said to be a specious plea to talk about England's taking any direct interest in our affairs or using the avenues of influence at her control here. The fact is that England is making her great fight for this market. Her manufactories are too large, while ours are too small. If she could only induce us to adopt the policy of Free Trade, which she adopted only when she had developed her industries to such a point and brought labor and capital to such cheapness that competition by other nations was impossible on a Free-Trade basis, her drooping industries would immediately begin to revive, since she has the advantages to-day of cheap capital and labor. As I have shown, the labor question lies at the bottom of our disadvantage in an equal competition. So I want the Free Trader to prove to the American workingmen and to the American people why it is that we should do what could only injure ourselves in order to advance the interests of a foreign nation.

As for me I am content to let well enough alone. I find that Mr. Colquitt, one of the most eminent of the English statisticians, estimates that the United States is accumulating wealth at the rate of at least \$2,500,000 a day, or in round numbers \$1,000,000,000 a year, and that all the indications point to a continuance of this increasingly-prosperous condition. We are now enjoying a general prosperity and growth in material wealth unparalleled in history. Why should this prosperity be disturbed and broken in upon by a crusade in the interest of Free Trade—a something, by the way, that does not actually mean Free Trade at all for us in its practical workings? Why should we now, in our highly-prosperous condition, begin to experiment?

But when you get the Free-Trader into a corner he always cries out "monopoly." It is claimed by the advocates of a tariff for revenue only—which means practically Free Trade—that our Protective tariff is a monopoly in the interest of the few, and works to the detriment of the many; or, as they frequently put it, a tax on the many for the benefit of the few.

I, for one, wish to say that if there is a single law which can be construed to give preference or benefit to one man over another, or protection to any class of men that is not extended to all, including even foreign capital invested under our laws and subject to taxation for the support of our Government and Protection of American labor, I say, wipe it out.

Can any Free Trader point out a single line in any revenue law that gives anything not equally free to all our 50,000,000 of people?

Are not the rivers, the forests, and mines free to all? Then where is the monopoly? You might as well say that the corn-grower of Iowa or Illinois, or the cotton-grower of Mississippi, is a monopolist, as to call the manufacturer or shipbuilder a monopolist.

I will give you, now, a few facts to show the progress we have made under the abused revenue laws, and hope to be able to convince any fair-minded man that they have worked for the benefit of the whole country. Let us take, first, the father of all monopolies, (for such the Free Trader calls it,) the iron interest.

What has made England the richest nation and the largest manufacturing nation in the world? Her resources in iron and coal, and the use she has made of them. She has neither cotton nor breadstuffs nor the power to produce them, and is dependent upon us for these necessities of life, while we have these and the coal and iron in boundless abundance besides.

And for ourselves, I firmly believe that were it not for iron, and the use we have made of it, you could not hold this immense territory known as the United States under one central government. Then our brethren beyond the Rocky mountains would have to sail round Cape Horn, 15,000 miles, to come to make laws for the nation, or down the Pacific ocean, crossing the Isthmus of Panama, again reshipping at Aspinwall to New York. All of our patriotism, love of country, even the influences of the Christian religion, could not control this vast territory under one central government. Our brethren would say we can not suffer this great inconvenience. We must have a government of our own. With all the great natural advantages of this country, if this resource of iron had been withheld, would we not be apt to cry that the Great Father of the Universe made a mistake in not giving iron to develop the other resources? And when we have the iron, shall we now leave it in the mine undeveloped, and depend on foreigners to supply a material of so vast importance to us, and with no other reason to give, only that we refuse to degrade and crush labor?

I call your attention now to a few figures of iron production :

In 1870 we took from the mines—	Tons.
Of ore.....	3,655,215
To smelt this into pig required—	
Of limestone.....	1,500,000
Of coal.....	4,500,000
Of coke.....	1,000,000

Thus making of transportation more than.....10,655,215

In the next ten years to 1880 these figures had doubled.

Thus, in 1880 we took from the mines—	Tons.
Of ore.....	7,709,708
To smelt this into pig required—	
Of limestone.....	3,169,149
Of coal.....	8,981,553
Of coke.....	2,277,555

An increase of 98 per cent., making of transportation a total of above 22,000,000 tons furnished merely to change the ore into pig. Have the men engaged in transportation no interest in this?

Shall we leave these 22,000,000 tons of ore, coal, and limestone buried in our own soil, and encourage their development in a foreign land, simply because labor is cheaper, and consequently productions of all kinds cheaper? Will any one say what the effect would be to this nation of drawing each year from our financial resources and sending it abroad to purchase our annual supply? Would not this increase the cost of iron in the country we purchase it from?

Shall this transportation, shown to be so immense, be done in this country or in a foreign one? And what would be the loss to our inland carrying-trade if this vast freightage from the mine to the furnace were shut off?

Besides, this is only the first freightage; made into pig and into various forms and shapes, it is then distributed into all parts of the land, to be worked up into all forms for use. So it furnishes transportation again and again until it reaches the merchant's counter. Remember this transportation is labor.

#### VALUE OF IRON INCREASED.

These 7,709,708 tons of material, which was worth but thirty cents a ton in the mine, was increased in value to \$100,557,685, when it had merely been made into iron and steel billets and muck bars.

The value it would attain when worked up into all the conceivable forms for use, from the plow to the knife-blade, from the axe to the surgeon's lancet, and from the ship-plate to the watch-spring, can not be estimated. But what has been applied to create this value? Labor; nothing but labor.

Now, will the Free Trader compute for us the value of this in dollars when worked into all the shapes we use it in; the number of men in all the mechanical trades who draw their support in this country from working up this pig into its various forms and values? Then let him consider the families dependent upon these mechanics

and laborers, and tell us what is to become of them if iron and its products are purchased abroad? The principle is the same with many of the other industries. Nothing but labor has increased the value of the iron, from the ore up, and this labor is cheaper in foreign countries; so that, if ore can be converted into iron at less cost, so can all other things that are to be made of that iron. So it all comes back to the bottom question: Will you degrade American labor or will you protect it?

I wish this question was put to the boys in our public schools. Some of our statesmen could learn wisdom from their figures. Every workingman owes it to himself, to his family, and his country, to take up this question and figure it out.

The application of labor to our natural resources is the source of our wealth and prosperity. By the development of these resources, and the providing of our people at home with the manufactured goods they need, how many thousands of towns and cities have been built up from the swamp where the scrub oak grew to what they are to-day? To the extent we apply this labor we get rich; when we cease to apply it we get poor.

To dispose of the charge that the Protective tariff raises and keeps up prices, and to show that in fact the competition made possible by the tariff reduces the cost, I will give some figures relating to ship iron, steel rails, and the locomotive.

#### COST OF IRON, 1850 TO 1881.

Figures taken from New York prices show that the average price per pound of ship or tank iron from 1850 to 1860, years when we had a low tariff, was:

For ship or tank plate, 4 cents; for flange iron, 5 cents; for angle iron,  $3\frac{1}{2}$  cents; for rivets, 5 cents: average of the four classes of iron,  $4\frac{1}{2}$  cents.

From 1870 to 1880, years of a high tariff, the iron products of this country increased about 100 per cent. In those years it would be supposed that the increased demand would create an increased price; yet, though wages were higher by 20 per cent. between 1870 and 1880 than between 1850 and 1860, the price of iron was reduced under our high tariff by 25 per cent. This is a positive proof that to have cheap iron we must depend not upon a foreign market, but upon the competition, energy, and enterprise of our own people.



As proof of what I have just said, allow me again to refer to figures taken from official records, which show that from 1870 to 1881 average prices were as follows: Ship or tank plates,  $2\frac{1}{2}$  cents; flange iron, 4 cents; angle iron,  $2\frac{1}{2}$  cents; rivets,  $4\frac{1}{2}$  cents: average of the four classes of iron,  $3\frac{3}{4}$  cents, or 25 per cent. less than in 1850 and 1860.

#### THE GREAT STEEL-RAIL MONOPOLY.

The following shows the price, in sterling and in dollars, free on board, in British ports, of steel rails, from 1863 to 1875, per ton of 2240 pounds, compiled by Mr. H. V. Poor, of New York:

Year.	£	s.	Equals	Year.	£	s.	Equals
1863.....	18	9	\$89 79	1870.....	10	7	\$50 37
1864.....	17	12	85 65	1871.....	11	6	54 99
1865.....	16	7	79 56	1872.....	13	18	67 54
1866.....	14	10	70 56	1873.....	16	9	80 05
1867.....	13	10	65 70	1874.....	13	2	68 75
1868.....	12	12	61 32	1875.....	9	2	44 28
1869.....	11	6	54 99				

Add to the above the premium on gold.

Net tons of Bessemer steel rails produced in the United States from 1867 to 1880, inclusive: 1867, 2,550; 1868, 7,225; 1869, 9,650; 1870, 34,000; 1871, 38,250; 1872, 94,070; 1873, 129,015; 1874, 144,944; 1875, 290,863; 1876, 412,461; 1877, 432,169; 1878, 550,398; 1879, 683,964; 1880, 954,460.

At a valuation of \$65 per ton this would amount to \$245,961,235. Ninety per cent. of this enormous sum was paid to American labor.

And here comes in the significant fact that before steel rails were made in America those purchased in England for American use were costing \$80 per ton, gold, or 30 per cent. more than they are sold for now in America. Who, then, had the monopoly? No one then heard about this great monopoly. When we were sending the gold out of the country, giving employment to foreign labor and allowing our own labor to go idle, was this policy in the interest of this country or of England? We never hear of monopoly in this country until we begin to supply our own wants and cease buying in England. That is what a policy of Protection has done for us in regard to steel rails.

#### THE LOCOMOTIVE.

Now I want to call your attention briefly to what we have done in building the locomotive. That will show the development of

another American industry. Fifty years ago we imported a locomotive engine from England as a sample. I made an examination some time ago as to the number of locomotives now in the United States, the cost of their construction, and how it compares with the cost of construction in other countries. The number of locomotives in use in this country January 1, 1879, was estimated at 16,445, valued at \$164,450,000. The number of cars in use, not including palace cars, was estimated (low) at 498,000, which would cost at least \$600,000,000, making the value of locomotives and cars together \$764,450,000. Besides, as much as one-tenth of the total now running must have been rebuilt say five times since 1830, at a cost of \$382,225,000, making a grand total of \$1,146,675,000, which is more than England has invested in ships. But, besides this, we have built locomotives for export to all parts of the world, owing to the recognized superiority of the American locomotive.

The Baldwin Locomotive Works alone sent out of the country from 1870 to 1880 over 520 locomotives, 152 of them to English colonies; and of all the locomotives used in the English colonies from 95 to 98 per cent. were built in the United States. Estimating what other shops have done, we have exported since 1870 \$20,000,000 worth of locomotives and double that amount of cars.

We have, then, succeeded in building locomotives of such quality and at such prices that we have taken England's locomotive business away from her in her own colonies. Is there any reason why, when our shipbuilding shall be equally encouraged and developed by extending our trade and making a demand for it, we should not build ships for those countries which have not the resources to build them for themselves?

But then we are told that while we can build the locomotive and the car we can not build the ship, though that is built out of the same material and from the same forest and mine, and though the labor required to convert 100 tons of pig iron into locomotives is much greater than it is in the finished ship and just as high priced. But we had a policy for building the locomotive, by finding a use for it, and you see the result.

#### THE SHIP.

Let us consider for a few moments the ship. I have shown you the mighty strides we have made in the development of the steel rail and the locomotive. The vast growth of our industries in general is shown by the fact that in 1870 the total value of manufac-

tured articles made in the United States was \$4,232,325,442, an amount which will no doubt be largely increased by the census figures of 1880. No other country in the world has developed as we have in the last ten years. We have protected our industries, and aided in the development of our agricultural resources through the building of railroads and opening up land communication to market. We have built up our manufacturing interests beyond all our expectations, and by so doing have given a valuable and profitable home market to our farmers. This wonderful development we owe to Protection. Had it not been for this Protection at the close of our civil war our factories would have been as scarce on the land as our ships in the foreign trade were on the sea, for we had given no Protection to the ship. This wise policy of protecting our industries kept the factories open, and when the hundreds of thousands of men who went to the war returned home they found employment in the factories and workshops;\* but when the sailors were done with fighting they found no ships to employ them. And, together with the loss of ships, we had lost the American hold on the foreign carrying trade.

But now to show what Protection, since that time, has done, I may say that the development of our coast carrying trade has exceeded, under Protection, even our unparalleled progress in manufacturing industries. The history of the world does not show so vast a development as that of our coasting trade in the last ten years.

Look at the figures. Counting in the contracts already in hand that can not be completed until 1882, in the ten years from 1872 we have built 120 iron screw steamships, of a total tonnage of 230,000 tons. We have also built 25 wooden screw steamers, of 27,563 tons. This makes a total steam tonnage built for our coasting and foreign trade of nearly 260,000 tons, 230,000 tons of it iron steamships; while in 1870 there did not exist in this country the rolling mills and shipyards required to construct an iron ship such as we have to-day.

Referring for comparison to the ocean-going steam tonnage of the world in 1860, we find that it consisted of 338 steamers, with tonnage of 431,000, divided as follows:

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\* It was a spectacle at which the world marveled—the peaceful disbanding of a million men, and their turning back from war to the workshops and the farms. What would they have done had not Protection kept them work to turn to?

NATION.	No.	Tonnage.
Great Britain.....	156	250,000
United States.....	52	71,000
All other nations.....	130	150,000
Total.....	338	471,000
Ocean-going steam tonnage built in U. S. since 1872.....	145	257,563

What a grand showing this is! We have built in ten years more steam ocean-going tonnage than England possessed in 1860, though she began to build the iron ship in 1840, and had liberally encouraged the establishment of shipyards, paying millions yearly in postal contracts to induce the investment of capital in the foreign carrying trade.

More than that: in these ten years we have built four times as much steam tonnage as we owned in 1860, while that was made up of old side-wheelers, not fit for ocean carrying; and have built considerably more than one-half as much steam tonnage as was owned by the world in 1860. The ships are first-class, and their carrying capacity is equal to 1,287,815 tons of sail—the most approved estimates based on experience making one ton of steam equal in carrying capacity to five tons of sail.

France and Germany made no increase of steam tonnage to compare with ours, though they had all the advantages of buying free ships of England, (an advantage which the free-ship man claims would have done so much to gain for us a foreign carrying trade,) while we labored under all the disadvantages of starting a new business, when the financial condition of the country was unsettled, when gold was at a premium, and when for a part of the time there was great business depression and distress.

What has been the result, and what is the advanced condition of the iron shipbuilding interest worth to us to-day? Had we possessed these 120 steamships in 1861 we could have thoroughly blockaded our coast, and have brought the rebellion to a close within a year. Through our present facilities we should be able to construct a similar fleet in much less time.

Then, again, the building of this fleet has reduced the freight rates in the coasting trade nearly 50 per cent. since 1870, and our coasting fleet is superior to the steam fleet of any country except England. How is this, do you ask? Why, we protected the coasting trade, the same as we did our manufactures, and so saved it;

and the result is that the country has a better fleet to meet an emergency with than it ever had before. What a benefit this reduction has been to our own people, and yet it has been produced by competition among ourselves!

It was the ship engaged in the foreign trade that was left unprotected; and, in consequence, when the war came, chance was afforded and taken to wrest the foreign carrying business from us, and when the war was over we had none left.

What we have done with the iron ship since 1872, in the face of financial discouragement, is sufficient proof of what we can do to regain our place as ocean carriers, if a permanent policy and a wise one be adopted by the nation. It is no small thing to be able to say that this country is to-day the second iron shipbuilding country of the world—second only to England—and that, without reducing the cost of American labor, we have reduced the original cost of the iron ship to within 12 per cent. of what it is in England, and can build a ship having no superior anywhere. I am satisfied that our ten years' record in iron shipbuilding is such a record as ought to stop the mouths of the men who declare that Americans can not build iron ships, and must depend upon England for them. What we want is a wise policy to enable the merchant to own and run the ship after it is built, and then we shall succeed.

#### FREE SHIPS.

Just a few minutes more in which to dispose of the free-ship advocate. He says first, last, and all the time, that we can not own ships because we can not buy them in the cheapest market, namely, in England. He will see no difficulty but that; he will accept no remedy for our depressed foreign carrying trade that does not include free ships. I want to show a few facts as to the free-ship cry.

What was our condition in 1865, when this cry was first raised in Congress? No ships but a few worn-out sailing ships and side-wheel steamers; no chance to compete with England's iron ships by building wooden ones; no facilities in the country to build iron ones; the carrying trade already in possession of foreigners, with their cheap capital, cheap labor, and low taxation: truly, a poor condition.

"Give us free ships!" said the advocates of an English interest to an American Congress. Well, I will show you that, if Congress had bought and given ships absolutely free to these very advocates, they could not then have run them under the American flag.

Suppose five 4,000-ton steamers had been given to a company of free-ship men for nothing in 1865, the value of the ships being \$5,000,000. The account at the end of a year would stand thus between them and their English competitors:

Taxation of American line on its \$5,000,000 of property at 2½ per cent.....	\$125,000
Wages, 600 men for the 5 ships, at \$2 per day.....	438,000
Total taxation and running expenses American line.....	\$563,000
Interest on \$5,000,000, capital English line, at 4 per cent.....	\$200,000
Taxation, 1 per cent., on net earnings, say earning 6 per cent.	3,000
Wages, 600 men, at \$1.25 per day.....	273,750
Total running expenses English line.....	\$476,750
Difference in favor of English line.....	\$86,250

Here is an advantage of \$86,250 a year when the Americans were given their ships for nothing, and no account is taken of interest on capital; neither does this take into account tonnage dues, nor the special war tax. And since the Americans who wanted free ships, or said they did, could not expect to get them for nothing, how would they have stood in the competition when they had turned \$7,000,000 of greenbacks into gold (as they must have done, if they had used the privilege of going into a foreign market for their ships) to buy what the Englishman or Frenchman or German could buy for \$5,000,000; and when, besides this, they had paid from 7 to 8 per cent. for their capital? Just look at it:

Running expenses and taxation American line.....	\$563,000
Interest on \$5,000,000 capital at 7 per cent.....	350,000
Total cost of American line.....	\$913,000
Total cost of English line.....	476,750
Difference in favor of English line.....	\$436,250

Now an American company of capitalists would have been very likely to invest in English cheap ships in 1865 and subsequently on those terms of competition, wouldn't they?

And yet the free-ship man unblushingly persists in saying, in the face of these figures, "Only give us free ships and we'll be all right." Will we?

Suppose, again, that two English companies, the Cunard and White Star, each wanted to start a new line of five steamships, both buying from the same place at the same price, and all conditions

being equal save those of interest and taxation, the White Star having to accept the American rates in these two points, the year's account would stand thus:

Capital White Star Line, 5 steamers.....	\$5,000,000
Interest, at 7 per cent.....	350,000
Taxation, 2½ per cent.....	125,000
Total White Star cost.....	\$5,475,000
Capital Cunard Line, 5 steamers.....	5,000,000
Interest at 3½ per cent.....	175,000
Taxes, 1 per cent. on 8 per cent. dividend on capital.....	4,000
Total Cunard cost.....	\$5,179,000
Difference in favor of Cunard Line per year.....	296,000

Or a difference of 6 per cent. on the whole capital. I need not ask you which line would be likely to pay and sustain itself under such conditions of competition. How much capital would the White Star Line be able to raise on a statement of these facts? Which stock would sell best in the market? Yet the question of first cost, which is all the free-ship advocate finds to talk about, does not enter into any of these calculations I have made at all. Suppose the White Star Line had only the one difficulty to encounter of a 10 per cent. difference in original cost, that might be gotten over.

Compare the ship on the sea to the factory on the land. Both require capital for the plant and men to operate them. Now, what business man does not know of instances where two men are engaged in the same line of manufacture, and where one of them paid from fifteen to twenty per cent. more for his plant than the other? But has any business man ever heard of a man's closing up his factory and ceasing competition merely because his plant cost him more, all other things being equal? No; it is not the first cost that drives a man out of the business. But suppose the one man's taxes were twenty times more, and the wages of his hands twenty-five to forty per cent. higher, than those of the other—why, he would fail, though you gave him his plant for nothing. What man could buy a cheap English factory and run it on the American principle of high taxes, high capital, and high labor? So, in ships, it is not what it costs to get the ship afloat, but what it costs to keep her there, under American rates of taxation, interest, and labor, that prevents us from owning ships in competition with foreign owners, who employ capital under no such disadvantages.

It is a noteworthy fact that this free-ship outcry never came from our American merchants who want to own ships. They laughed at it as folly; while its advocates were mostly would-be merchants who were brokers and commission men, and wanted to run English ships on commission.

Let our Government simply place us on equal conditions with other people, so that our capital can be put into competition with foreign capital with a fair prospect of return, and I guarantee that there will be no trouble about first cost. As a proof of that, we have no difficulty, as I have shown, in raising capital to be put into large American-built ocean steamers for the coasting trade, where it will be subject to the same laws, rates, and taxation as the other capital employed in that trade. But when we undertake to put capital into the foreign trade we bring it into competition with the capital of other peoples, who have more favorable conditions of interest, taxation, and labor, and there we find the hunt for capital a vain one. The only way to get it is for our Government to pursue the same policy that England did when she was in a like condition—encourage capital to invest by opening up new markets through the establishment of mail steamship lines. Moreover, we urgently need these new markets, and there is no other means except superior facilities of communication, (mail and passenger,) whereby we can obtain them.

#### DANGER OF DEPENDENCE.

But take it on another ground—the ground of national independence and security.

Is it on any conceivable ground a safe policy for us to become dependent upon a foreign nation for our ships? Consider the vast and constantly-increasing products we have to place in the markets of the world. We have by many millions of tons more surplus heavy products to be carried long distances than has any other nation. We exported last year over 11,000,000 tons. At the same rate of increase during the next ten years as during the last ten, in 1890 we shall export over 50,000,000 tons. We should require this year, to place ourselves in our true position on the ocean, an outlay of some \$75,000,000 to buy ships with; and each year, with its increased trade, would add to this large sum. In what interest can the man be working who advises us to buy from a foreign builder all these ships which we now need, and shall need, if we are to gain the place that belongs to us? How can any American propose, in



view of our future, to make us constantly dependent upon outsiders for anything which we have the means and ability to supply ourselves with? What are the great ocean steamship lines but the continuation of the trunk lines in transporting our products to market? Why should we control those products on the land, and the moment we get them to the seaboard deliver them over to foreigners? By that method we pay the freight for from 1,000 to 2,000 miles to our own people, and for from 3,000 to 4,500 miles to foreigners, when certainly the greater part of it should go to support American enterprise and labor. What would be thought of a proposition to place our trunk lines in the hands of English companies, and have them run under the control of England, with her flag hoisted on the cars? Yet we might do that with equally as much reason as surrender to them our products at the seaboard.

I hope I have now disposed of the free-ship man, with his forever putting forward of the little difficulty of first cost, and keeping out of sight the great difficulties that keep us from owning ships and taking the position that belongs to us in the foreign carrying trade.

The free-ship man never seems to see that if the \$5,000,000 worth of ships are built at home 90 per cent. of the cost is labor, and all goes to the American workingman; while, by his method of saving the 10 per cent., all that immense capital would be sent to support foreign workingmen and a foreign government, and our natural resources would be left undeveloped.

I think we shall be able to find a remedy better than that. What we want is an American policy—a policy wisely framed in our own national interest, not in any other nation's interest; a policy that will remove the unjust law that compels an American ship in the foreign trade to carry our mails, but refuses to pay it a reasonable compensation therefor; a policy that will make the competition equal in the foreign carrying trade, and that will induce capital to invest in that trade; a policy that will protect and encourage the American industry of iron shipbuilding in the same spirit and to the same extent that our Government protects and encourages other American industries; a policy, in short, non-partisan, non-sectional, but comprehensive, statesmanlike, national. Let Congress inaugurate such a policy, and the day will not be distant when again the American flag shall be seen in every port, when American products shall be carried to every land in American-built ships, and when America shall once more be rapidly advancing to the position of the first great commercial and maritime nation of the world.

You ask me now, What shall we do? I answer: The American mechanic, manufacturer, merchant, and the American sailor ask no Protection for brains, push, or ingenuity. All they ask is an equal chance in the competition. I have shown that dear capital, well-paid labor, and high taxes can not compete in manufacturing or shipowning with low taxes, cheap labor, and cheap capital.

Look at what England did. With her iron interest well developed; able to build the iron ship cheaper than any other nation; with all the advantages of cheap labor, cheap capital, and low taxation, she yet gave aid to her shipowners to encourage and induce them to build fast mail vessels to open up new markets. Why, from 1840 to 1880 she paid over \$240,000,000 in this way to build up her shipping interest. France has aided her shipowners for years, and only this year, finding it impossible to own a great merchant marine and buy it of England, passed a law offering a bounty for every iron steamship built in France; this encouragement being equal to \$7,000,000 a year, including the sums paid to those running French-built ships under the French flag. What is Germany talking of doing? Prince Bismarck, in a recent speech, recognized the wisdom of the new French policy; said it would "create for France a powerful navy, which may prove of effective service in time of war;" and declared that "the merchant service is the handmaid of all other industries, of agriculture, and commerce. On the day when the freight trade is given over to foreigners," he therefore concluded, "a mortal blow will be dealt to all the industries of the country. These enterprises can not dispense with government aid, and this has always been afforded in a productive manner, as soon as it was a question of paving the way for our traffic in distant markets. England has given the example of using mail steamers as the pioneers for the creation or expansion of commercial relations." These are the words of one of the keenest statesmen of Europe, and they are true words. We need ships to pave the way to traffic in new and distant markets, and, as Prince Bismarck says, these enterprises can not dispense with a government policy of Protection and encouragement. What is our Government doing for the shipping interest? Nothing but load it down with burdens and unjust laws.

I have studied this whole subject and its difficulties. I have heard all the charges of monopoly; but I have found only one great monopoly, and that is the monopoly of Labor. American labor has a monopoly of fair, living wages. It is true we are free to import

this labor from any part of the world, but no sooner does it get over here than it joins the ranks of the monopolists and demands as high wages as labor here before it receives. It is this high-priced labor that makes the cost of the ship, as of our manufactured products, greater than it is in Europe. It is American labor that we protect by our Protective tariff. And I say this is right. I say that we must continue to protect American labor. But shall we, then, leave our forests and mines undeveloped because it has ever been and is the policy of our Government to furnish labor with more favorable conditions than it knows elsewhere? Is there no way to build up American interests other than to crush down American labor? I will leave that question for the American people to answer. It is a pressing question that must be answered soon, in regard to our shipping at least. And anybody that, with the cry of Free Trade or any other, declares that American labor must be thrown into sudden competition with the down-trodden and crushed labor of Europe will very soon find that it needs our sympathy rather than our opposition. It will fall and be ground out of sight beneath the iron heel of that American labor, whose elevation and advancement is one of the strong pillars on which the splendid structure of this free government rests secure.

The Chairman then announced that Hon. Edward T. Johnson, of Indianapolis, Indiana, had come to the Convention prepared to make an address on the subject of "The American Marine." In consequence of the lateness of the hour and the pressure of necessary business the Convention resolved that Mr. Johnson's address should be printed with the proceedings in lieu of its delivery.

#### ADDRESS BY HON. EDWARD T. JOHNSON.

MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: For the year ending October 31, 1881, the total value of our foreign commerce, exclusive of coin and bullion, was \$1,518,733,162. Of this total, the sum of \$650,422,902 was imports, and the sum of \$868,310,260 was exports. The balance of trade in our favor was \$217,887,358.

Our foreign trade, already so enormous, is growing with unexampled rapidity. In a few more years, eclipsing all other nations, we shall have the most magnificent and valuable commerce in the world. Yet of this vast commerce but seventeen (17) per cent. is

carried in American vessels; while eighty-three (83) per cent. is carried in foreign vessels. More than three-fourths of it all is carried by England. We pay to foreigners every year, for carrying our mails, our passengers, and our freights, fully \$120,000,000 in gold, most of which goes to England. Foreigners have in our commerce 5,560 vessels. Of these, about 1,500 are iron sail ships, and 567 are iron steamers. There is not a single iron sail ship under our flag. With the exception of four steamers, belonging to a mixed British and American line, running from Philadelphia to Liverpool, there is not an American steamship from the United States to any port of Europe. There is no such thing as an American merchant marine. It is almost literally true that the American flag is never seen in a foreign port.

These conditions are all the more humiliating when we recall the past, which was replete with maritime success, and full of American glory. England aside, we had, up to 1860, outstripped the world. Our tonnage exceeded that of all the other nations combined. It was nearly equal to that of England, and we were still rapidly gaining. A few more years of growth, and we should have held the undisputed mastery of the seas. I can not now dwell upon the achievements of that great period. It is sufficient to say that since that time we have dropped from a point very close to the first place down to the fifth place among the carrying nations.

What has caused this decay of our commercial marine? I proceed at once to answer this inquiry.

#### CAUSES OF OUR MARITIME DECLINE.

At the time of our great maritime success and ascendancy the best ship known to the sea was the great wooden sail ship. Near the middle of the century wood, as a shipbuilding material, began to be superseded by iron, and the sturdy iron sail ship took its place on the ocean. The iron sail ship is cheaper to maintain, it is of longer life, it is of greater strength and greater capacity, and is, in all respects, a safer and better vessel than the wooden ship. Our immense forests, close to the sea, enabled us to build the best and cheapest wooden ships in the world. But our coal and iron mines were comparatively undeveloped, while those of England were in the full prime of their prosperity. For us to compete with her in building iron ships was impossible. The advent of iron on the sea was an immense benefit to commerce, and a great triumph for England; but to us it was a terrible blow.

But another and still greater revolution was pending. Steam had been introduced as the propelling power of sea-going ships. It was an American experiment, and the first steamship that ever crossed the ocean was an American vessel. But the engines and machinery could be made far cheaper in England than here, and the product of American genius was quickly turned, with fatal effect, against American interests. Steam was at first applied only to wooden vessels, and for a time it was thought impossible ever to use it profitably in iron ships; but all difficulties were at length overcome, and the iron steamship was given to the sea—the swiftest messenger of trade, the best and heaviest freighter, the world has yet produced. Another victory for commerce; another triumph for England; and another disaster to us. The blow dealt us by this great change struck at a fateful moment. Not only were all the material advantages on the side of England, but all our own resources were elsewhere in requisition; for we were in the midst of our life and death struggle with the civil war. Competition was forgotten as hopeless. Our marine was already declining; but from this moment it hastened to its downfall.

This was England's opportunity, and she improved it to the uttermost. It was plain that wood and sail were to be supplanted by iron and steam. England therefore determined, by creating an immense merchant fleet of iron steamers, to absorb the carrying trade of the world. Capital hesitated. But its timidity quickly vanished, for the British government promptly adopted a policy of national aid. Among its numerous measures of encouragement four should be specially noted:

1. The government stipulated that but one-fourth of all the iron war vessels and marine engines required for her navy should be built in her own navy-yards; and for the construction of the other three-fourths she gave contracts, with rich profits, to the private shipyards. In March, 1879, it was officially reported to Parliament that, in the five years from 1874 to 1879, the government had paid, for construction and repairs of her naval vessels, £14,296,710, equal to \$71,000,000; three-fourths of which, or fifty-three and a quarter millions, were paid to the private shipyards. That was more than ten and a half millions a year. These subsidies began during our war, and are still paid every year.

2. The expense of transporting coal and iron from the mines, which were in the distant north, to London and Liverpool, where the shipyards were located, was a great burden. A new location

for the yards, near the mines, was almost essential. It was found that the river Clyde, an insignificant stream flowing close to the northern mines, might be so improved as to answer the purpose; but the enormous expense of the enterprise put it out of the question. The government came to the rescue. The corporation of Glasgow dredged and widened and deepened the little stream to the requisite proportions; and the entire cost of the work, which was \$10,000,000, was paid, by a remission of tonnage dues, from the national treasury. And the river Clyde is now the site of the richest and most famous shipyards in the world.

3. Parliament provided by law that the merchant steamers should take their own supplies out of bond duty free. In other words, on everything necessary for the use of the ships the government duties were remitted—a direct cash benefit to the marine of over \$4,000,000 annually. And this provision is also still in force.

4. At the same time the government gave to iron shipowners contracts, at almost fabulous rates, for carrying her mails. These contracts also are still in operation, and under their provisions the British marine has received, and still receives, from the public treasury cash subsidies of \$4,000,000 to \$5,000,000 every year. Against measures and influences like these, at a time when a terrible civil war rendered us helpless, what had we to hope?

But our own environments equally accelerated our maritime ruin. Our Government was compelled to raise money. Just at the moment when our shipyards were most heavily oppressed, by the external influences which I have described, the Government levied a special war tax of two and a half per cent. upon shipbuilding. A more grievous blow could not have fallen upon our maritime interests.

I have already shown that just before the civil war our marine, next to that of England, which it closely rivaled, was the most magnificent merchant fleet on the sea. One of the first effects of the war was to transfer nearly half of our best ships from the merchant fleet to the Government service, where they were required for purposes of transportation. Their places in our carrying trade were quickly filled by foreign vessels.

In a few months after the war began the sea swarmed with cruisers, many of which were built in the shipyards of England, let loose to depredate upon our commerce. Under circumstances like these it was natural that our shipowners should begin to look elsewhere than to the sea for the investment of their capital.

Eight hundred thousand tons of our shipping were sold bodily to foreign merchants.

The mighty impulse given by the war to all classes of manufactures and internal improvements raised, to an unprecedented height, both the rate of interest on money and profits on investments. And marine capital, hastening to escape the hazards of the sea, retreated to the interior, where it still remains, invested in internal instead of maritime industry.

#### OUR PRESENT MARITIME BURDENS.

But sixteen years have now passed since the close of our war. We have had sixteen years of peace and prosperity, and the course of our marine is still downward. Why is this? Why are we not able now to compete with foreign nations? Partly because of the enormous subsidies and other advantages enjoyed by our rivals, some of which I have already mentioned. Partly also because our own marine is hampered by unjust discriminations, and loaded with burdens which render competition impossible. Some of these I now propose to consider.

Among our most important exports are oils, most of which are explosive. American ships carrying passengers are not permitted by our laws to carry explosive oils. This excludes that class of freight from all our own vessels except the most inferior sailing ships, and these our shippers never employ when better and swifter vessels can be had. The result is that nearly the whole of our oil exports are driven into foreign steamers, which are not subject to the restriction. And they are constantly leaving our ports with their holds filled with explosive oils and their cabins crowded with American passengers. The law, while purporting to afford security to American travel, actually augments its dangers, and at the same time gives away a most profitable part of our trade.

A ship's supplies constitute a most material part of her expense. A large portion of these supplies, such as coffee, tea, sugar, spices, liquors, wines, tobacco, cigars, tropical fruits, etc., are imported, and are nearly all subject to tariff duties. The English ship gets her supplies duty free. The American ship, though her homeward cargo may consist of these very articles, is compelled to buy them of the merchants or importers, at retail or jobbers' prices, without relief from tariff duties. This places the American ship at a most serious disadvantage.

An American vessel approaching one of our harbors, for example that of New York, is hailed by a harbor pilot, who tenders his services to bring her into port. Her own captain, or his mate, may be a perfectly competent pilot; nevertheless, she is compelled to accept the offer of the harbor pilot, and pay him full pilotage, or else pay him half-pilotage as a penalty for refusal. That law maintains, in every harbor where it prevails, a community of idle pilots, living in luxury at the expense of our commerce.

If an American ship discharges her sailors, one or all, in a foreign port, she is compelled to pay, to each man discharged, three months' extra wages. The sailor may have been aboard but fifteen days, earning but half a month's pay; his discharge may be at his own request, or for misconduct: no matter; if his wages are \$50 a month he gets \$25, the half-month's wages earned, and \$150, the three months' extra wages not earned. The ship pays the money, not to the sailor, but to the United States consul at the port, who, after deducting a large per cent. allowed for consular fees, pays the remainder to the sailor. And the sailor, perhaps the next hour, takes service on another ship. This law has been shamefully abused by dishonest consuls, who, for the sake of the fees, send emissaries among the sailors to incite desertions. It converts consuls and sailors into conspirators and robbers, with American ships for victims. How different are England's laws, which make her consuls everywhere the active agents of her marine, paying them, not by black-mail levied on her commerce, but by liberal salaries from her public treasury!

A ship's tonnage means its capacity for freight. The tonnage is ascertained by a prescribed method of measurement. British measurement includes only that part of the ship's space to be actually occupied by cargo. American measurement includes the space for cargo, the room occupied by the ship's engines, boilers, and machinery, and the quarters of the officers and crew. The difference in the two methods of measurement credits to the American ship about one-third more tonnage than her British rival of equal capacity, and one-third more than she actually carries. The burdensome dues of tonnage, sometimes amounting to \$1.50 per ton on the entire cargo, as well as light and harbor dues, wharfage and other charges, are levied, not on the actual weight of cargo, but so much per ton on the ship's registered tonnage. The American ship therefore pays one-third more tonnage and other dues than the British ship. This is a most unjust and oppressive burden.



The Government mail service furnishes another instance of most unaccountable injustice. Our domestic mails are carried by coasting vessels, lake and river steamers, railroad and canal companies, and other carriers, at rates of compensation fixed by contract, satisfactory to the carrier, and always profitable. On the other hand, our foreign mails are carried by our ships under compulsion of the law, at rates arbitrarily fixed by the Government, and which never exceed the postage on the matter carried. The pay is always inadequate, and often less than the actual cash outlay required by the service, in which cases the carriers are subjected to actual loss. The discrimination against our foreign-going ships, in the treatment which they have received, in comparison with the treatment of our coasting vessels, is shown by the following statement, taken from official tables.

Lines in the coasting trade carry mails 247,960 miles for.....	\$142,706
Lines in foreign trade carry mails 1,181,309 miles for.....	31,405

Lines in foreign trade carry more miles by 933,349, for less pay by....\$111,301  
Or, counting by miles, the pay for carrying domestic mails is  $57\frac{1}{2}$  cents per mile, while, for foreign mails, it is but  $2\frac{1}{2}$  cents per mile.

Nothing can be added to the force of these figures, and nothing can excuse the injustice they disclose. But, bad as it is, a comparison of rates with other classes of domestic carriers shows even still greater discriminations. Why should all the profits be given to domestic carriers, whose trade is secure against foreign competition, and all the hardships be imposed upon our foreign-going ships, whose very existence depends upon an unequal struggle with powerful rivals? Why aid the strong and oppress the weak? The merchant ship is the only carrier of the public mails whose services are both compulsory and unprofitable. The mail contracts awarded by other governments to their merchant ships not only provide liberal pay for their services, but afford bounties for their encouragement. And it is against rivals thus encouraged and enriched that our unaided ships contend. The policy of public aid prevails everywhere except with us. We alone pursue a policy of neglect and discouragement, and the result is seen in the ruin of our maritime interests.

Another great hardship: In case of loss incurred or injury caused by an American vessel there is no limit to the owner's liability for damages. By the laws of England the liability of each part-owner is limited to the value of his individual interest in the vessel, and the total liability of all the owners is limited to the value of the

vessel at the time of the accident. By our law damages are unlimited. The recovery may exceed the value of the vessel to any extent; and each part-owner, no matter how small his interest, is liable for the whole damage, no matter how great. Nor is the claimant compelled to resort for recovery primarily to the vessel; he may go directly to the private property of all or any of the owners. An Englishman, investing in English ships, risks nothing beyond his investment. An American, worth one million or five million dollars, puts his entire fortune at stake by investing one hundred dollars in an American ship. The English system invites capital by making it secure. Ours repels it by increasing its hazards. Certainly this is not the way to compete with England.

But the most grievous hardship is taxation. Capital invested in American ships is taxed to its full amount. The ship is assessed, like other property, by the State and municipal governments where it is owned, and, without regard to whether it is active or idle, or whether running at a profit or a loss, is taxed at its full cash value. The rate of taxation is unequal, differing in different States. In New York, where most of our shipping is owned, it is from two to three per cent. So a fine ship, worth half a million dollars, pays \$10,000 to \$15,000 annual tax. British capital invested in ships is not taxed at all. The British ship is taxed, not on its value, but only on its net earnings. If idle, or earning nothing above expenses, it pays nothing. Even its net profit is taxed only one per cent. on the dollar. Now see the difference. In the *North American Review*, last May, Mr. John Roach, the great shipbuilder, presents it as follows:

An American corporation in New York, with \$2,000,000 invested in five steamships, would have to pay a tax of  $2\frac{1}{2}$  per cent., the same as on real estate, without regard to profit and loss on the investment. An English corporation, with like amount invested in five ships, would be taxed only one per cent. on the net profits. Assuming the net earnings of both lines to be 8 per cent. per annum, the result would be:

LINES.	Capital invested.	Net earnings.	Taxation.
American.....	\$2,000,000	\$160,000	\$50,000
English.....	2,000,000	160,000	1,600
Discrimination against American line.....			\$48,400

That burden alone, if all others were relieved, would render competition by our ships with those of England out of the question.

#### REMEDIES.

Well, as to methods. What is our remedy? Many have been suggested, most of them good. But let me first consider one which has been more persistently pressed than all others, but which I can not commend. I mean free ships.

#### FREE SHIPS. •

Our navigation laws prohibit the purchase, by American citizens, of foreign-built ships, for use in our commerce. If an American would own ships he must build them himself, or buy them of American builders. These laws are for the Protection of American shipbuilders and shipowners. The purpose of the free-ship bill is to repeal them, so that Americans may buy ships wherever built. The navigation laws embody the principle of home Protection; the free-ship bill embodies that of Free Trade.

The free-ship measure rests upon the sole ground of economy. It is urged that we should get our ships, as we would get anything else, wherever we can get them cheapest. That argument, at one time, had much plausibility and force; but the changes wrought in recent years, by the development of our resources, and by our splendid industrial progress, render it now utterly unsound. Without pausing here to recount these wonderful changes, it is sufficient that they have resulted in this: that iron ships, which, at the close of the war, were built in England 40 to 50 per cent. cheaper than here, can now be built here almost as cheaply as in England. The difference now, as estimated by American builders, is but 10 to 12 per cent., and is still declining. If the present favorable conditions continue it will soon be entirely overcome.

But I am here met by the free-ship advocate with three propositions: English labor is 30 per cent. cheaper than American labor; English iron is much cheaper than American iron; the English interest on capital is 3 per cent., and here it is 6 or 7 per cent. If all this is true it affords the strongest argument for Protection, as the only way to save American labor from degradation and American interests from servile dependence. But are these propositions sound? British labor is 30 per cent. cheaper. True; but the American mechanic, because more intelligent, better fed, better

clad, and better paid, is worth 30 per cent. more to his employer than his unhappy foreign brother. This is conceded alike by economists and employers. British iron is cheaper. True; but American iron is better. Its superior fineness, tenacity, and strength make it much more valuable, especially for plating ships, than English iron. This is admitted by all. Besides, wood must be used, even in iron ships, and wood here is 50 per cent. cheaper than in England. But English interest is lower. That is substantially a fact of the past. Rates are now almost as low here as in England. These are the very facts which have so nearly extinguished the difference in cost between English and American construction.

This difference of 10 or 12 per cent. in the first cost of the ship constitutes the entire foundation of the free-ship policy. It is the sole argument in its behalf. Never was there a fallacy so apparent. The trouble with our marine is not that our ships are too costly, but that they are so oppressed by burdens that they can not live. Some of these oppressions I have just recited, and will not repeat; but it must be obvious to all that, while these grievances exist, while the American ship is compelled to pay fully a third more tonnage and other dues, double as much for supplies, and more than thirty times as much in taxes as her rival, the trifling difference of 10 per cent. in cost is utterly without importance. I repeat that the trouble is not that our ships cost too much, but that their profits are all consumed by these oppressive burdens. To all this add the dismal orphanage of the American ship—her total neglect by the Government, while all her rivals are aided by heavy subsidies, and all men must admit that her cost has little to do with her failure.

But to proceed. To say nothing of the advantages enjoyed by the British shipyards from cheap materials, cheap labor, and long establishment, their government subsidies alone would enable them to defy us, and would make it absolutely impossible for our unaided shipyards to compete with them. So the first effect of the free-ship bill would be to break up and destroy every shipyard in America.

England is the only country in the world where ships are built for sale to foreigners. We can purchase ships abroad nowhere except from her. To compete successfully with England on the sea our merchant fleet must be at least equal to her own. The value of the English merchant fleet at present, as given by the *Bureau*

*Veritas*, of France, is \$574,359,420. The cash value of our own merchant fleet, including all our coasting ships, is \$143,944,380. The difference is \$430,415,040. To make our fleet equal to that of England that difference is the exact sum that we must pay to her in cash. So that the second effect of the free-ship measure, if practically adopted, would be to transfer over \$430,000,000 in gold from America to England.

The average life of a merchant ship, or a merchant fleet, is about twenty years. The free-ship policy once adopted, and that vast payment of money must be repeated at least once in every twenty years. Worse still; with the disappearance of the old ships of our own construction, and with the increase of our commerce, these payments would grow steadily and permanently larger.

To keep a merchant fleet in repair, not counting the cost of new ships to replace those lost and worn out, costs every year ten per cent. of its original value. The destruction of our shipyards, with their shops, would drive all our ships to England for repairs. Ten per cent. on \$574,000,000 is \$57,400,000. When our marine is made equal to that of England that will be the annual cost of our repairs. And that sum also, in addition to the cost of new ships, we must pay every year to England.

The materials of which a ship is built constitute only ten per cent. of her cost. All the rest is labor. In a ship costing \$100,000 the cost of the materials is but \$10,000, while the cost of the labor is \$90,000. Of the enormous sums which the free-ship measure proposes to transfer from here to England, all except 10 per cent. would be taken from American labor, and paid directly to English labor. As a means for our own impoverishment, for England's enrichment, and for making her predominance permanent, no scheme better than this could possibly be devised.

Maritime success depends upon two distinct sources of profit. One is shipbuilding; the other is navigation. If we purchase our ships abroad, instead of building them at home, we have but one profit. If we purchase our ships of England she has three profits: one from trade, a second from building her own ships, a third from building ours. The profit which she makes from building our ships we must pay. So we make one profit, and pay one profit. If the payment equals the receipt, which it will always substantially do, we gain exactly nothing; while our rival, who has nothing to pay, has her three profits, all clear gain. How can competition be maintained against odds like that?

This conclusion is supported by history as strongly as by logic. Maritime supremacy, or even great maritime success, has never been achieved by any nation that did not build its own ships. The Egyptians, the Phœnicians, the Greeks, the Italians, the Carthaginians, the Spaniards, and the Dutch held in turn the empire of the sea; but each only so long as its fleets and navies were raised from its own resources. Most of the Continental nations have, in recent years, ceased, in whole or in part, to build their own ships, and they are all, in greater or less degree, dependent upon the shipyards of England. And in every case the degree of dependence exactly measures the extent of decline.

The measure is wrong again because it contravenes the very first principle of American policy, which is absolute independence. What, if not political and commercial independence, was the purpose of the Revolution? For what, if not for independence on the sea, was fought the war of 1812? The very chains that in those wars were severed by the sword this measure seeks to rivet again by civil methods. Once dependent upon England for the means of commercial prosperity, once prosperous by virtue of those means, and dependence is confirmed as a national principle, subverting and supplanting at once the most sacred tradition and the most essential doctrine of the republic. It is unpatriotic, un-national, and un-American. The only true policy of this republic is sturdy, fearless self-reliance.

Every measure must be judged somewhat by the character and interests of its advocates. Who are the friends of the free-ship bill? It is hardly necessary to say that it finds not a single friend among the American shipbuilders. What is more significant, it is almost as friendless among our shipowners and shippers. And these are the three classes most deeply interested. At the National Commercial Convention held at Boston, October 6, 1880, in which all these classes were fully represented, a free-ship resolution was overwhelmingly voted down. Last winter a committee of the United States Senate gave this subject a thorough investigation. Parties in interest of all classes were invited to appear and furnish the committee with information. Our shipbuilders were there to oppose the measure. Our shipowners were there, and submitted a memorial, signed by a large number of leading firms, representing an aggregate of 720,279 tons of our shipping, worth \$65,519,250, protesting against the measure; and not a single American merchant or shipper appeared in its behalf. Who then were its advocates?

Men advocating England's doctrine of Free Trade, and men representing principal lines of British steamships. These at least were its principal friends; and there is the ominous secret. At every step of this great contest the free-ship bill has had, for its main support, British interests, British influence, and British gold.

How is England to profit by the free-ship measure? By building ships to be sold to us, and paid for with American gold; by destroying our shipyards; by crippling the development of our industries and resources; by perpetuating our dependence and her own ascendancy.

But she has other and more specific motives. The most profitable traffic in the world to-day is our domestic commerce, including our coasting trade and the trade on our lakes and rivers. From that trade foreign ships have always been sternly excluded. One of the chief objects of England's ambition is, and long has been, to drive her ships into that rich domain. From her lofty perch on the high seas she covets the fat profits of our coasting trade, as a vulture covets his prey. It is true that the free-ship bill, now pending in Congress, does not, in terms, propose to admit foreign-built ships to that department of our commerce, but only to our foreign trade. But just there lies concealed a most insidious danger. As between the States the Constitution has established and preserves absolute Free Trade. No restrictions can be placed by law upon inter-State commerce. No law to prevent an American citizen, residing in one State, from taking his property at pleasure into any other State would be for a moment upheld. If a citizen of one State owns a ship, no matter where it was built, the Constitution guarantees his right to sail it at pleasure to any port of any State of the Union; so that foreign ships, admitted to American ownership, are admitted to every branch of American trade. And England supports, if indeed she did not instigate, the free-ship bill, as the only method of securing possession of our domestic commerce.

But even a still deeper purpose governs English policy. England's merchant fleet, as I have said before, is worth over \$574,000,000. It numbers 3,276 steamships and 18,621 sailships—together, 21,897 vessels. Its capacity is 9,518,000 tons, and it carries three-fifths of the entire commerce of the world. In the politics of Europe there is never an hour of safety. With eight millions of men constantly in arms, with iron navies guarding every coast, war is always impending. When it actually occurs the principal in-

jury inflicted is not by the ravages of armies, but by the ruin and destruction of commerce. That peril is of greater magnitude now than ever before in history, especially to England; for never before was her trade so rich, never was her merchant fleet so numerous and costly, and never was commerce so nearly her sole dependence. Against that peril her iron navy, ponderous and powerful as it is, can furnish no adequate security. Divided and deployed throughout the world to all her distant ports, it might successfully defend her harbors, but only by abandoning her merchant fleet to brave unguarded the dangers of the open sea. At the first note of war her commerce would begin to melt and vanish. The capture and destruction of her ships would be but a fraction of her loss. Reflect that only a tithe of the freight she carries is her own. Its vast bulk is owned by other nations. A third or more belongs to us. With the sound of the first gun on the sea her foreign freight, as well as that of the other belligerents, would be transferred for safety to neutral ships and neutral flags. Just as in our war our immense commerce took refuge in foreign ships, so hers would do, leaving her splendid merchant fleet empty and idle. England knows nothing better than this: that war between her and any first-class naval power would destroy her carrying trade, and probably overthrow her commercial supremacy. And it is this consideration alone that controls her policy, and compels her to keep the peace.

Nearly all of our commerce, not engrossed by England, is carried by Norway, France, and Germany. A great naval war involving England and France, or England and Germany, or all three, would result in the great bulk of our commerce being suddenly unshipped. The world has no supernumerary merchant fleets. So that our commerce would be driven out of the ships of the belligerents, with nowhere else to go—left utterly without means of transportation. Naturally that should drive us to building ships for ourselves, and so, by force of necessity, compel the restoration of our own marine. It was in a case exactly similar, when we were at war, that England, from the wreck of our commerce, founded her present great prosperity. And so might we, from the dissolving commerce of our warring rivals, rebuild our glorious fabric that went down in war. But could we do it? If our protecting laws were firmly upheld, sternly shutting out the empty ships of belligerent rivals, and forcing American commerce to seek refuge only in American ships, it would be done; and like the magic of a miracle the American marine would reappear, with thrice its former power



and splendor. But with our laws repealed, with the merchant fleets of the belligerents transferred bodily to our protection, to retain, beneath our own flag, possession of our entire commerce, forestalling the necessity and stifling the demand for American ships, the opportunity would be lost, and the last hope of the American marine would perish.

#### THE TRUE REMEDY.

Well, since the free-ship measure is so clearly a false remedy, what is the true one? Heretofore the fatal trouble has been the total apathy of the Government, the utter neglect of the marine. The first essential step is the adoption, by the national Government, of a clear, strong, resolute policy, whereby both our shipyards and our ships shall be as firmly and as effectively backed and supported as are those of England by the British government.

As the first act in pursuance of that policy, let the whole duty of regulating our foreign commerce be assumed by the national Government, and prohibited to the States. Or, at least, let the power of the States in that behalf be carefully defined and restricted. By that means local inequalities will disappear, and uniformity will be secured.

Next, let every degrading burden be removed from our commerce, as we would scrape the barnacles from the hulls of our ships—compulsory pilotage, consular abuses, false admeasurement, unjust taxation, and the rest. Let them all be fearlessly swept away. We should learn wisdom from our enemies. We should imitate every feature of foreign policy which has proved successful. The American ship should walk the sea in the spirit of national pride, and endowed with every advantage possessed by her rivals.

But after all this is accomplished one immense difficulty still remains. How is our unaided marine to contend with rivals, all of whom are enormously subsidized by their respective governments? England pays in aid of her marine, annually, from \$4,000,000 to \$5,000,000; France and Germany, to their marines, amounts equally liberal; and so of the rest. To overcome these powerful obstacles, what are we to do? Shall our marine be aided by our Government? By individual subsidies—*no*. That is the voice of the West. By a carefully-adjusted system of encouragement looking only to national interests—*yes*. That is to be the voice of the nation. Such a system presents a field too broad for me to traverse on this occa-

sion. But this I am constrained to say: Whatever is necessary to be done to retrieve our disasters, to restore our marine, and to regain our lost prestige, so it be honorable, let it be done! In the name of patriotism, let it be quickly and fearlessly done.

#### NATIONAL PERILS.

In my view, we are confronted to-day with national perils from which there is no rescue except by a great ocean marine. Our exports consist almost entirely of the raw products of agriculture. Abundant crops abroad, or a failure of crops at home, may, any year, turn the balance of trade against us, and produce general financial distress. And should foreign abundance and domestic scarcity happen together nothing could prevent a national panic and universal disaster. Security against this danger can be found only in the development of our manufactures, so that our export of manufactured goods may be raised to equal value and importance with our export of agricultural products. The two great elements, standing side by side, would support each other, and, one failing, the other could be relied on to maintain our credit and preserve the commercial equilibrium. Our manufactories can be enlarged to the extent required only by the increase of our foreign sales. This can be reliably effected only by swift steamships, under our own flag, bearing our goods to every port, and offering them in every market. So against this ever-threatening peril of financial panic the best means of defense is a fleet of ocean steamers.

Again. As nearly all our foreign commerce is carried in foreign vessels, and principally in those of England, contemplate for a moment the consequences to us of a naval war in Europe, involving England with France or with Germany. As I said before, our whole commerce would be instantly unshipped, with nowhere to go. With the wheels of trade stopped, the machinery of business wrecked, there would inevitably follow wild panic, general bankruptcy, and untold national loss. Senator Beck well said, last winter in the Senate, that a war in Europe would be far more disastrous to us than to the belligerents themselves. The only mode of rescue from this mighty peril is to retrieve our commerce from foreign ships, and put it, where it always should have been, in a fleet of our own, under the folds of the American flag.

But the most imminent peril of this nation to-day is the defenseless condition of its coast. We shall never suffer another military

invasion. Such an attempt, by any foreign power, would be simple madness. All our future wars will be by sea, and not by land. Our 13,000 miles of coast, bordered by both the oceans, and fronting every continent, is helplessly exposed, without a pretense of protection or defense. Our navy is simply a scandalous absurdity. Should war occur, as it may at any time, not only our ocean commerce, both foreign and domestic, but our whole ocean frontier, including all our great commercial cities, would be absolutely at the mercy of our foes. Such a war, with any first-class naval power, could have for us but one result—widespread ruin and national humiliation. A danger so apparent, and so appalling, calls for prompt and decisive action. The first need of the hour is an efficient national navy. Two questions confront us: How is an adequate navy to be acquired? And how maintained? For permanence is as important as efficiency. In a matter of so much importance temporary expedients must be disregarded. There is no safe reliance except upon enduring principles, adduced from experience.

In all maritime history nothing is better established than that a powerful national navy is always the offspring of a powerful merchant marine. No great navy ever existed that did not arise from, or concurrently with, a great merchant fleet. And no navy ever long survived the marine from which it sprang. The Spanish Armada was the product of the splendid marine which colonized the new world, and burdened the mother country with the gold of Peru and Mexico. The great Dutch navy, whose ships carried brooms at their mast-heads, as a warning that they swept all rivals from the sea, was cradled in a mercantile marine that controlled the commerce of the world. England now has the most powerful navy that was ever created, because she has the most powerful marine that ever existed. On the other hand, the navies of France, of Germany, of Spain, and of the other European nations are feeble exactly in proportion as their merchant fleets are weak. And we are without a navy because we have no marine.

Great navies are never built in national navy-yards. We, with no navy, have eight navy-yards; England, with the strongest navy in the world, has only three. Nearly all her great war ships were built, as the best of war ships always are, at private shipyards. Official tables published with the report of the Chief of the Tonnage Division of the Treasury Department, in 1871, show (p. 41) that of all the vessels of all classes, including war ships, with all the

marine engines employed by the Government in the civil war, but 19 per cent. were built at the navy-yards, and 81 per cent. were built at private shipyards. The same report (p. 42) says :

But the Government is no less dependent upon the merchant marine for seamen than for ships. In 1861 the entire forces of the navy embraced but 7,600 men. To meet the necessities of war the number was increased to 51,500. Besides, there were employed by the War Department 24,000 seamen upon transports, making the total force 75,500 men.

And every one of those recruits came from the merchant marine. The report continues :

The education of constant labor is necessary, in order to maintain, in any country, a large force of mechanics skilled in the manufacture of iron ships and marine engines, and this can be accomplished only through the ordinary demands of a prosperous merchant marine. The naval architects and the mechanics employed in our navy-yards have acquired their practical education at private establishments.

The shipyards and work-shops in which a great merchant fleet is constructed and constantly repaired are vast training-schools, wherein the artisans are taught, by whom alone a navy can be built. The great merchant fleet is a vast training-school for seamen, by whom alone a navy can be manned. The private shipyard is the birth-place, as the merchant fleet is the cradle, of the national navy. Therefore, to restore the merchant marine is the only true method of founding a permanent navy.

But a fleet of iron steamships is itself an effective naval force. The iron ships of England, in return for the public aid they receive, are held by law at all times subject to the order of the Government, to be used as cruisers and transports in the event of war. Thus the British marine forms an immense auxiliary naval force. That is a remarkable fact which we must not dare to overlook. But that idea may be much improved upon. Recent experiment demonstrates that the iron ship can be so constructed, without impairment of its commercial efficiency, that it may quickly and at small cost be clothed in a complete outer coating of steel plates, which can be put on and taken off at pleasure. The plates may be of any weight required, and strong enough to withstand a heavy cannonade. And that converts the strong, swift, iron merchant ship into a formidable steel-clad ship of war. I propose a kind of maritime feudal system. Let the Government aid in building and maintaining a fleet of armored iron merchant steamers. Let the ships be held, like the

ancient feudal barons, bound to render warlike service when required. Then the Government, at the approach of war, could summon all the ships to assemble, armed and clothed in mail, to meet the foe—a powerful steel-clad navy, springing from the paths of commerce, as mighty armies come from the private walks of life. Such a force, it is true, might not be equal to all the heavy work of war. But its presence would give time to provide for ample reinforcements; and it would play havoc with the enemy's commerce; and that is a more effective service than sinking gunboats and killing men. But the field of duty for such a fleet would be wider than the field of war. It would furnish our marine and naval corps with constant and useful employment. It would obviate the necessity, and save the enormous cost, of maintaining in idleness a large, distinct, naval armament. It would prevent the loss of our merchant ships by hasty sales to foreigners in time of danger. It would do the beneficent work of commerce, and bring back the maritime glory of the past. The truest means of national defense, the surest bulwark of public safety, is a noble merchant marine, doing the works of peace but possessing the attributes of war.

#### ADVANTAGES OF A MERCHANT MARINE.

I come now to consider some of the advantages to be secured by a great and successful marine. One is that the \$120,000,000, which we pay annually to foreigners, for doing our work on the sea, would be earned by our own carriers, and kept at home, to benefit our own people. But for this relentless drain of our gold the late panic would have been comparatively harmless, and resumption would have been speedily and easily effected. Another is that more than a million of our own laboring people would be furnished with profitable employment, by the enlargement of our domestic industries. Another, that England's despotic monopoly of the carrying trade would be broken down; competition would reduce the cost of transportation, cheapening the price of imported goods, and richly enhancing the profits of our manufacturers and producers. And then there is the tremendous increase of national wealth and national power, certain to come from the double profits of a great carrying trade and a great ocean commerce.

Look for a moment at the vast, unoccupied markets of the world, where, if we had the means of transportation, we might establish, at once, a prosperous trade. A fair example is found in the case of Japan.

## THE MARKET OF JAPAN.

For the year ending June 30, 1881, our imports from Japan were of the value of \$14,217,600. For the same year our exports to Japan were of the value of \$1,468,976; leaving a balance against us of \$12,748,624. That balance we pay in gold. It ought to be paid by exportations of our domestic products. What have we that Japan wants? Almost everything; especially all kinds of provisions. But I confine the discussion to the two items of live stock and prepared meats. With a population of 36,000,000 Japan has less than 300,000 head of beef cattle. That is less than one head to 100 people. In the United States there are 73 head to 100 people. Last year, in that whole empire, but 36,000 cattle were slaughtered for beef. That was one beef for each 1,000 people. The supply of mutton and pork is smaller still. The only flesh in common use is that of fish and poultry, and even these are scarce and dear. The masses of the people are vegetarians from necessity. Until within the last few years the ports of Japan have been stubbornly closed to outside commerce. Recently they have been unlocked, and are now wide open to the world. Meats form one of the principal staples of American export. In this commodity we are confessedly first in the markets of the world. Other nations carry their supplies from our ports, to their own shores, in their own vessels. This Japan can not do, because she has no ships. We can not deliver supplies to her for the same reason. Foreign nations will not do it, because to divert them to Japan would increase their cost in their own markets. So there is a great nation of 36,000,000 people, almost wholly destitute of all classes of live-stock and all kinds of meat, whose wants we are best prepared to supply, whose markets offer to us, and especially to our agricultural classes, a source of enormous wealth, all of which is now lost, but which might be quickly and perpetually secured by means of a commercial marine.

## SOUTH AMERICA.

Let us turn now to the still richer markets of South America, chief among which is that of Brazil. Last year the value of Brazil's exports to Great Britain was \$23,114,980. The value of her imports from Great Britain was \$29,130,908: balance against Brazil in favor of Great Britain, \$6,015,928. The same year the value of Brazil's exports to France was \$10,615,000. The value of her imports from France was \$13,683,709: balance against Brazil, in favor of France, \$3,068,700.

How does the account stand between Brazil and the United States? For the year ending June 30, 1881, the value of our imports from Brazil was \$52,782,536. The same year the value of our exports to Brazil was \$9,252,415: balance in favor of Brazil, against us, \$43,530,121. That balance we pay annually in gold. It is with our gold that Brazil purchases what she wants elsewhere, and pays her heavy cash balances to England, France, and other countries. We take nearly one-half of all her exports. We take, in value, nearly twice as much as England, and five times as much as France. The gold we pay her every year is nearly a million dollars more than the value of all her imports from England and France combined. Now, while we are Brazil's chief cash customer, purchasing nearly as much of her products as all the rest of the world combined, why does she not reciprocate, by taking our products in return? She can furnish only tropical productions. She manufactures nothing. We produce everything she wants—clothing, provisions, farming implements, building materials, and so on. All these, or nearly all, we make better and can sell cheaper than any other country. Why then can we not supply them to Brazil? The answer is ready: We have no ships. She has none. Save a trifling fraction, carried by slow sailing-ships, whatever we send to Brazil must go in British vessels; for England holds a monopoly of the Brazilian trade. And British vessels refuse to carry a pound of our exports, except by a three-cornered route, three thousand miles out of the way, from our ports to England, and thence to Brazil. This consumes time, doubles freights, and destroys profits. The effect is exactly what is shown by the figures—the practical suppression of our export trade with Brazil. And the same deplorable condition prevails in our trade with all the other countries of South America.

It is perfectly apparent that, with an efficient commercial marine, we could absolutely take possession of the markets of South America. Our imports thence would soon be far exceeded by our exports thither, and the tide of gold, now flowing so heavily from our shores, would turn with increased volume homeward.

But this result, grand as it seems, would be but a minor achievement, compared with the brilliant possibilities of the immediate future. The South American countries are comparatively undeveloped. It is only in recent years that they have been seized by the restless spirit of modern progress. Population is rapidly increasing. Improvements, public and private, are multiplying. Everywhere,

and in every element of civilization, there is marvelous advancement. In this universal movement there is one feature, illustrating the whole, which indicates to us the path of duty and of profit. It is only within the last few years that South America has come to realize that railroads are the most potent agents of progress. In all the principal nations of that continent, even in those cursed with war, the projection and construction of railroad lines are the chief subjects of public attention. Brazil alone has a population of 16,000,000, an area nearly as large as the United States, and numerous populous cities. Railroads are felt by all her people to be her most urgent public necessity.

All men know that those countries have neither the materials nor the facilities to build and stock the roads themselves. The rails, the cars, and the locomotives must all be furnished from abroad. Who shall supply them? The contest is between England and ourselves. Have we the facilities, and can we do the work? Every single advantage save that of transportation is in our favor. In the construction of cars and locomotives we have long since driven England out of the lists, and we are virtually without a competitor. The last official report of the Treasury Bureau of Statistics, published in July last, shows (page 4) that we have now in use, in the United States, 17,949 locomotives, which are worth \$180,000,000; 12,789 passenger cars and 539,349 freight cars, which together are worth \$675,000,000; making the grand total value of our locomotives and cars \$855,000,000. They were all made in our own shops. Besides, in the last ten years we have exported over \$20,000,000 worth of locomotives and over \$50,000,000 worth of cars. They are sent to all parts of the world, and even in the colonies of England hardly a single locomotive can be found that was not bought of us. In the construction of railroads, with all their equipments, we lead the world. Now, shall the vast railroad system of South America be built with iron from American mines, and equipped with cars and engines from American shops; or shall we, like cowards, tamely abandon that stupendous work to a less able but more courageous rival? If the materials, raw and finished, are all to be carried from our ports in British vessels, first to England and then to South America, or by any other route, at freight charges to be fixed by our competitor, we may as well surrender the enterprise without an effort. But with ships of our own to carry the products of our mines and shops cheaply and swiftly to their destination we should command that splendid field, with hardly a sign



of competition. And who can conceive the mighty impulse to all our domestic interests, and who can estimate the golden additions to our national wealth, from a work of such stupendous magnitude?

Yet that is but a single enterprise. In every quarter of the globe others, equally gigantic, are waiting to be executed by others or by us. The conquests of the future will be those of civil enterprise, and not of force. The sea must be reconquered. The throne of future empire rests upon the rocking waves no less than on the land. To that mighty empire Destiny appoints the great Republic.

The Convention then resumed the consideration of the report of the committee on address and resolutions, and after a protracted debate the address and resolutions were adopted in the following form :

#### REPORT OF THE COMMITTEE ON ADDRESS AND RESOLUTIONS.

The representatives of the agricultural, commercial, and manufacturing interests of the United States, in general convention assembled, believe that the present time, when there are no longer any political questions growing out of the civil war to keep alive partisan or sectional feeling, or to occupy the attention of the legislative and executive departments of the Government, is most opportune for the consideration of economic matters of real importance and common interest. The country is at peace; throughout its entire extent the people are loyal and patriotic. The marvelous development of our industries now in progress is limited by no internal territorial barriers; the North and South, finding that they are mutually necessary and useful to each other, alike demand that all capabilities shall be employed, and that all resources shall be utilized. New lines of railroad, completed or in construction, reversing our earlier experience, tend to follow the meridians of longitude; and increasing commerce, material and social, of neighbor with neighbor and State with State, must result in more friendly relations and greatly-increased prosperity.

While thus happy in our domestic affairs we find our external commerce favorable to us beyond all precedent; money and population pour in upon us, augmenting the majestic power that has won for us the respect of all foreign nations.

## HISTORY OF OUR TARIFF LEGISLATION.

We claim that this favorable situation is mainly due to the policy of Protection to Domestic Industry. Inaugurated upon the formation of the Government, in the first act passed by the National Congress, which declared "that it is necessary for the support of the Government, for the discharge of the debt of the United States, and the encouragement and *protection* of manufactures, that duties be levied upon goods, wares, and merchandise imported," this policy of Protection has had an eventful history, which, if the occasion permitted, it would be profitable to fully review. The founders of the republic saw clearly that the political independence of the country could not be maintained, and that disastrous internal dissensions could not be averted, without industrial independence and a consequent harmony of interests among the States of the Union. Their declarations to this effect, which we might quote, are clear, and their acts were consonant with them. It happened, however, that Great Britain, having built up her industries by centuries of Protective and prohibitory legislation, enforced by the most barbarous penalties, had attained to such skill in the arts that she no longer feared foreign competition, and was preparing to announce a new policy and to impose it upon other countries. The year in which the American colonies declared their independence is further memorable for the publication of Adam Smith's treatise upon the *Wealth of Nations*, a work which contained the elements of a new science, in which valuable truths and dangerous errors were so mixed that two distinct economical systems might be drawn from it. The American school, of which Henry C. Carey is the greatest teacher, quotes Adam Smith as an authority sustaining its doctrine of a true commerce. English writers and their American followers drew from Dr. Smith the theory of universal freedom of trade, which they formulated as a science, and submitted its conditions and results to the acceptance of the world as the natural and rightful order of things. Commending itself as a commercial policy favorable to the interests of their country, the theory of Free Trade was adopted and eulogized by English statesmen, who professed without practicing it; numerous authors extended and popularized it; it was readily adopted elsewhere as a principle of the science of political economy; and, until recently, it was taught in almost all American schools and colleges. As a consequence there has been perpetual strife between the graduates of the schools and those who followed

the doctrines of the fathers; between the practical business men of the country—the captains of its industrial forces, and legislators educated by Free-Trade college professors; and the policy of the country has oscillated between Protection and Free Trade. Examination of this history will show that, whenever the Free-Trade theorists were in power and could shape the legislation of the country in accordance with their views, they prostrated its industries, bankrupted the public treasury, and caused wide-spread ruin, rendering a return to the Protective policy necessary alike to the people and to the Government.

The general convention of agriculturists and manufacturers friendly to the encouragement of domestic industry in the United States which assembled at Harrisburg on July 30, 1827, and which consisted of delegates, including men of great reputation, from thirteen States, in defending the tariff of 1824 from the assaults of such theoretical Free Traders as still vex the industries of the country, said in its published address: "We offer numerous facts to the people and earnestly invite the most rigorous examination of them. We show practical results from past transactions; they offer chiefly wild and frightful visions of the future. The people are called to hew down the good tree and lose its fruits, though yet only in the vigor of its growth, because an evil eye has been cast upon it by some foreign magician and dealer in old clothes. Must we prefer the dogmas of those who have studied man in the closet to the experience of others who have mixed with society and examined him for themselves? A herd of these closet philosophers is less valuable than he who shall cause two blades of grass to grow where one only was formerly produced."

Though always unstable and generally inadequate, Protection to native industry has been the usual policy of our Government. In reviewing the history of the first half century, in his report made from the Committee on Manufactures on the 22d of May, 1832, John Quincy Adams said: "Under that system of policy the nation has risen from a depth of weakness, imbecility, and distress to an eminence of prosperity unexampled in the annals of the world. It was by counter legislation to the regulations of foreign nations that the first operations of the Government of the United States were felt by the people; felt in the encouragement and protection given to their commerce; felt in the fulfillment of the public engagements to the creditors of the nation; felt in the gradual discharge of the debt of gratitude due to the warriors of

the Revolution; felt in the rapid increase of our population, in the constantly and profitably occupied industry of the people, in the consideration and respect of foreign nations for our character, in the comfort and well-being and happiness of the community; felt in every nerve and sinew, in every vein and artery, of the body politic."

BENEFICIAL RESULTS OF OUR PRESENT TARIFF POLICY.

Looking backward from the place in which we stand, we may apply this striking eulogium with even greater force to the later period during which the policy of Protection has had effective operation. Adopted as a necessary revenue measure in 1861, this policy has been upon trial under circumstances most unfavorable to an exhibition of its full merits. One-fourth of its lifetime of twenty years was filled with civil war; the political conflicts which followed were only less disturbing and injurious; and before they ended a commercial panic occurred of unexampled duration and severity, which originated in the north of Europe, and extended to all industrial nations. Nor is this all; for the policy of Protection, during this period of its existence, has encountered the sleepless hostility of native and foreign enemies; assaults have been made upon it in every session of Congress, so that the stability of any of its provisions could not be counted upon; commercial treaties secretly negotiated have threatened its destruction; and, until recently, many of its friends have given to it but a halting and half-hearted support. In spite of the hostile influences which have surrounded it, the Protective policy has fully demonstrated its great value to the country, and if the verdict lately passed by the people in favor of its maintenance needed vindication it would be found in the leading facts of cotemporaneous history.

Under a Protective tariff our trade with foreign countries has been in the direction of a true commerce, in which one nation supplies the natural deficiencies of another. Our country, providing itself commodities formerly bought abroad, has ceased to be a debtor nation; the obligations of the Government once largely held by foreigners have been returned to and are the property of our own people; the outflow of the precious metals has been checked, and their golden tide turned upon our shores.

In our finances the resumption of specie payments has been accomplished and maintained; the public debt has been largely reduced, and is in the way of final extinction; and it has been refunded

at one-half the legal rate of interest lately charged in our greatest commercial city and State.

In the industries new arts have arisen and inventions of great value have been made; manufactures have vastly increased in power and usefulness, and their operations embrace all sections of the country.

The growth and dissemination of manufacturing industries have been attended by expansion of internal commerce; the water-ways of the country have been improved, and its railroads have increased from 31,286 miles in 1861 to 100,000 miles in 1881.

Agriculture has been uniformly prosperous, and its surplus products are so great as to alarm the foreign producers of agricultural staples.

Constant employment for labor has been secured; the wages of labor have been maintained upon a higher plane here than elsewhere; and the United States continues to be the best country for industrious poor men, as is shown by the vast numbers who annually come to our shores.

Under the policy of Protection our country is manifesting an efficiency in every department of human endeavor which rivets the attention and is inspiring the imitation of other nations, who begin to understand the secret of our success.

The doctrine of Free Trade, of which England is the only advocate, is everywhere refused acceptance. Germany, reverting to the policy of the great Frederick, declares, in the language of the Emperor William, that the object of the government shall be "the protection of German industry," and this declaration has been carried into effect. Russia turns a deaf ear to the voice of the Free-Trade charmer, and remains Protectionist. She even increases her duties, and gives prizes to those who establish workshops within her borders. France hesitates to renew her commercial treaty with Great Britain, except upon such terms as will give ample protection to her industries. The English colonies have caught the American idea, and tax those products of the mother country which compete with their own. Canada now imposes upon foreign manufactures a duty which so effectually protects her domestic industries that she is more prosperous than at any former period in her history. Even in England it has at last been discovered that Free Trade is not Fair Trade; its supporters have for the present enough to do at home, and must intermit some of their exertions to overthrow the defensive barriers of other countries.

The duty now recognized by every progressive nation, of intelligently promoting and defending the industries which afford a livelihood to its people, is most exacting and imperative under a republican form of government. The United States is a nation of workmen, and it is essential to the safety of our institutions that the reward of labor shall be adequate to the requirements of reputable and useful American citizenship. This reward is much higher than the standard of wages which Free-Trade authors assume to be natural and proper, and higher than is accorded in older countries to the always inferior and in some cases servile classes of their working people.

Many of our industries are not in their infancy ; they will compare with those of any other country in organization and efficiency ; through their growth capital has been accumulated and cheapened, and it takes no more days' labor to produce a ton of iron or steel or a bale of cloth here than it does elsewhere ; but the laborer, the producer, demands and receives for his services a much larger share of the product. The Protective policy gives him this, and it is not difficult to prove that his advantage is the principal factor in our national prosperity.

We hold, therefore, that the policy of Protection to home labor, which has done so much in the few years since it was solidly established, must be firmly maintained, and that, in whatever respects the laws come short of this, either from defects in their enactment or lack of fidelity in their execution, it is the duty of Congress to provide a remedy.

#### THE NECESSITY FOR TARIFF REVISION.

As the tariff laws constitute a carefully-elaborated system under which our industries have grown up, and to which they have adjusted themselves, rash intermeddling with them must be injurious, and sudden changes ought not to be made. It is conceded that a general revision of the tariff is now required to accommodate it to the changed and expanding condition of these industries. The cautious effort, in framing schedules of duties, to measure out just the amount of protection needed has proved in some instances to be mistaken parsimony, and a more liberal spirit may be manifested with safety. There is room for improvement also in the way of clearness and simplification ; nor would a reduction of duties in some cases, and an enlargement of the free list, be objected to. This work of revision should not be attempted until the whole sub-

ject has been investigated by a competent civilian Commission, appointed for the purpose, and acting as representatives of the American Government solely in the interest of the American people. Such a Commission, composed of eminent men having practical knowledge of agriculture, manufactures, and commerce, must secure the confidence of the country, and its report would be a safe guide to beneficial legislation by Congress.

If precedent can add force to the plea that tariffs should not be revised without careful investigation and full conference with all the interests which may be affected by such action, it may be found in the practice of our sister republic of France, where such inquiry is provided for in the ordinary functions of government. The French Minister of Agriculture and Commerce, in his report to the President of the republic, on the proposed renewal of the commercial treaties, explains the usages of the government in all matters relating to the tariff. Referring to the revision of economic legislation rendered necessary by the expiration of commercial treaties, he says: "Your government, Mr. President, and, in this government, the three departments of Foreign Affairs, Finance, and Commerce, have not waited until now to solve the problem of protecting labor and assuring the development of the national wealth. I have solicited from the chambers of commerce, from the consulting chambers of agriculture and of arts and manufactures, their views on our tariffs, as well as on the manner in which for the future they should be established, by laws strictly internal or by international treaties. The replies which it was our duty to await, before fixing our line of conduct, have been obtained by me. It is my duty to make you acquainted with these replies, and to submit for your approval this line of conduct. We do not pretend in fact to dispose of the great industries of the country without consulting at every stage those who represent these interests and speak in their name."

We claim that this is the true method of tariff revision, and, pending such intelligent and deliberate action, assaults upon particular interests and industries should not be tolerated. The country demands, and has a right to demand, suppression of the Congressional crank, who introduces destructive bills and attempts to pass them without reference or debate. We denounce him as a more dangerous madman or criminal than the incendiary who fires a mill or factory, and his practices should be allowed no place in a civilized country.

The principle of graduating duties in proportion to the value of

commodities, or, in other words, to the labor expended upon them, characterizes in general our tariff laws, and it is alike necessary for the purposes of revenue and protection. The effort to accomplish this, in the enumeration by their commercial designations of manufactured articles in the different stages of their advancement, often fails of success, and the provisions in regard to unenumerated articles appear to be defective and inadequate. The importation of an article in a new form, or merely under a new name, gives rise to a question of classification, which is decided by a collector of customs, or by the Treasury Department; and if the decision by the Department is in favor of the importer, as is frequently the case, it is an end of the matter. The Government can not appeal to the courts, and the importer will not. The decision is rendered without publicity, and without the knowledge of the parties most gravely affected by it. Under it the Government loses a portion of its revenues, which the importer adds to his profits, while American manufacturers are crippled or ruined. This is no exaggeration, for there is not an important industry which has not been imperiled or injured by the decisions of this star-chamber court, which is perpetually in session. We can point to closed workshops and factories, and idle machinery of great cost, which illustrate sometimes a real defect in the law, but more frequently some Treasury official's conception of the significance of a comma, or the facility with which he discovers a distinction without a difference.

The eighteen hundred cases of disputed questions of classification referred to Secretary Sherman during his term of office would have been largely reduced in number if the provisions with respect to unenumerated articles had been clearly set forth in the law. Such articles are necessarily subjected to *ad valorem* rates, which are an inducement to fraudulent undervaluations, and in general these rates are lower than the specific duty upon like articles in their least advanced stage of manufacture. There is a wide field for the exercise of ingenuity in the invention of cases, and hostility to Protective duties, baffled in its effort to prevent their enactment, is easily successful in defeating the execution of the law.

The situation is intolerable and calls for immediate remedy. The Treasury Department has invoked the action of Congress in the premises, and its demand is seconded by numerous injured industries. The similitude clause has received such construction that it is practically useless, and this indicates the degree of care needed in framing such legislation; but we believe that the wisdom of Con-



gress can readily devise a brief amendment to the chapter of tariff duties which will largely reduce the number of disputed questions of classification, and furnish a safe rule for their adjudication by the Treasury Department and the courts.

#### THE DECAY OF AMERICAN COMMERCE.

We have shown that the industries of the country are in the enjoyment of great prosperity, which is attributable to the fostering care of the Government. The tariff laws are a barrier erected by Congress against attacks upon our manufacturers by their foreign rivals. Our internal commerce has been promoted by the improvement of water-ways and national grants to railroad enterprises. The expansion of our railroad system and gifts of the public lands to settlers have vastly extended our agriculture, which is further distinguished by having its interests cared for by a separate department of the Government. So much has been done, and done so wisely, that it is to be regretted that through culpable neglect of one great interest the country is still in a condition of dependence, and the cycle of its industrial progress is painfully incomplete. The condition of our shipping industry engaged in the foreign trade presents an argument against what is termed Free Trade as unanswerable as can be made, the ocean being the only field in which we have accepted the invitation of Great Britain to enter into this special kind of Free Trade; and the results are before us. Had we accepted the invitation in its entirety we should simply have had a ruin of the whole people and their pursuits as nearly complete as that of our shipping employed otherwise than in the coastwise and internal trade.

The policy of fostering American shipping engaged in the ocean carrying-trade, which the founders of the republic borrowed from Great Britain and enforced with effect during our early history, has been suffered to fall into disuse during a period in which its liberal application was most necessary. The consequences have been disastrous. Twenty-five years ago more than two-thirds of the imports and exports of the country were carried in American vessels built in our own shipyards. The ocean commerce of the country is three and a half times greater now than it was then, but we depend upon foreign ships for the whole of this increased service. Their merchant marine has expanded, while ours is a little less than it was twenty-five years ago. The causes of this humilia-

ting situation are manifold, and it is enough that the most influential shall be briefly stated.

The substitution of iron steamships for wooden sailing-vessels in the ocean carrying-trade was a stage of progress most readily attained by our ancient commercial and industrial rival, and she made the revolution more complete by fitting out Confederate cruisers in her ports which destroyed our shipping or forced it to take refuge under foreign flags. Following up this advantage, gained over us by means like those she formerly used against the Dutch, she has covered the seas with fast-sailing iron-steamship lines, profitably employed in the service of her government, and in some instances of our own.

Under these circumstances denunciation of the tariff as an injury to American shipping is unjust, and the demand for free ships proceeds from no American shipowner, but is inspired by the enemies of American commerce and American industry.

There is no instance in the history of the world of a great maritime people continuing to be such without being shipbuilders; this nation must build its own ships in order to become a great ship-owning nation. The foreign carrying-trade is not to be revived by repealing our navigation laws and going abroad to buy ships, but by giving legitimate encouragement to induce our merchants to build and own ships—the same policy by which all our industries have been built up.

The American ship, like the American locomotive, has no superior; and if the American government will assure it an equal chance with foreign ships in the competition for business our surviving shipbuilders will redouble their efficiency, our deserted shipyards along our coasts will again resound with the hum of industry, and our agriculture will no longer be dependent upon foreign vessels for access to foreign markets.

The skill of American shipbuilders has not been lost, for it is recognized by foreigners who place their orders with them, and our country is rich in all the materials of this great industry, but the American ship which may be sailed successfully under other flags can not obtain its share of the ocean carrying-trade under its own. It has been offered the poor privilege of competing for insufficient mail pay against foreign vessels already subsidized by their own governments. It is burdened with local taxes, and hampered with port charges and consular regulations from which its rivals are free. It is forced to render mail service to the Government which is not

honestly paid for, and the cost of this service would appear ludicrous, were it not shocking, when compared with the sums squandered by the Government upon star routes running through uninhabited wildernesses on the frontiers.

The continued prosperity and full reward of our other industries, and especially of agriculture, require that American shipping should be restored to that rightful place upon the seas of which it has been deprived by the destruction of our merchant marine by Anglo-Confederate cruisers during the civil war; by the change from wooden sailing to iron steam vessels, of which England was enabled to take prompt advantage; and by the more favorable regulations, and direct and indirect bounties and subsidies, given to their vessel-owners by foreign powers.

The long-continued action of England in making her mail service an agency by which she has carried her trade over the world does not inspire us to imitation, and the practice of our sister republic of France in granting large bounties to her shipping is not admitted as a safe or necessary example. Even the weakest of the maritime powers have used in this important matter a more intelligent and liberal policy than the United States.

Against an environment of hostile influences, thus faintly outlined, individual enterprise is powerless; its patriotic efforts have resulted in failure, and the question presses itself as one of paramount importance upon the consideration of the Government.

The most profitable disposition of our immense surplus of agricultural products is not possible, nor can we have any considerable vent for our manufactures, while our industrial and commercial rivals are the sole agents for conducting our foreign commerce. To the \$100,000,000 which we pay yearly for the service of foreign vessels, and which is lost to us as completely as if it were swallowed up by the sea, must be added the incalculable loss resulting from our inability to carry on a direct trade with the inter-tropical countries which supply us most largely with articles of food and luxury, and with the raw material of our arts. They desire a reciprocal commerce with us, but our Government has refused to contribute equally with them in providing its agencies, and their wants are supplied by shipowning countries thousands of miles farther away from them than the ports of the United States.

The argument in the interest of the people is enforced by grave considerations for national safety. No other country has so long a line of undefended coast as ours, yet its naval power proper is so

insignificant, when compared with the formidable war vessels of foreign states, that it may be deemed non-existent, and we lack what they also possess—a merchant marine which may be used for hostile purposes upon the breaking out of war.

In this connection the words of Jefferson, in his famous “Report on Commerce,” in 1794, if not heeded as a warning may be verified as prophecy. He said :

Our navigation involves still higher considerations. As a branch of industry it is valuable; but as a resource of defense essential. The position and circumstances of the United States leave them nothing to fear from their land-board, and nothing to desire beyond their present rights. But on the sea-board they are open to injury, and they have there too a commerce which must be protected. This can only be done by possessing a respectable body of citizen seamen, and of artists and establishments ready for shipbuilding. If particular nations grasp at undue shares [of our commerce], and more especially if they seize on the means of the United States to convert them into aliment for their own strength, and withdraw them entirely from the support of those to whom they belong, defensive and protecting measures become necessary on the part of the nation whose maritime resources are thus invaded, or it will be disarmed of its defense, its productions will be at the mercy of the nation which has possessed itself exclusively of the means of carrying them, and its politics may be influenced by those who command its commerce. The carriage of our own commodities, if once established in another channel, can not be resumed in the moment we desire. If we lose the seamen and artists whom it now occupies we lose the present means of marine defense, and time will be requisite to raise up others when disgrace or losses shall bring home to our feelings the evil of having abandoned them.

#### RESOLUTIONS.

As representatives of the principal industries of the United States we know, by personal experience, by comparison of views, and by careful examination of history, the fiscal legislation of the country and its results as affecting the strength of the Government and the well-being of the people; and have therefore

*Resolved*, That the policy of Protection to Home Industry, adopted at the foundation of our Government, though only during the last twenty years continuously enforced with practical efficiency, has caused unexampled development and progress in the arts, in agriculture, and in commerce, and filled our country with an intelligent, contented, and prosperous people; that the benefits of this policy may now be more fully enjoyed by the different sections of the country than ever before, since the beneficent impulse to productive labors is everywhere felt, especially in the South, which is rich in all

natural resources, and needing only diversification of industries to give it such prosperity as will more than repair the waste of war; that firm adherence to this policy will add additional lustre and power to the republic.

*Resolved*, That Protection is claimed by us in the interest of the American workingman; its measure is the difference between the reward of labor in this country and in the countries of his industrial rivals; and it should be accorded, not in a mean and parsimonious spirit, but liberally, with a full recognition of his right to a scale of living in accordance with the opportunities and duties of American citizenship.

*Resolved*, That, in order to prepare for such an intelligent revision of the tariff laws as will give full and harmonious effect to the Protective policy, Congress is asked to pass a law authorizing the appointment of a civilian Commission, with power to investigate fully the cost of labor, manner of living, and efficiency of the laborers in this country and elsewhere, and the inter-relations, condition, and needs of our industries, and to report the testimony, with the recommendation of such Congressional action as it may deem beneficial; and that, pending this investigation, disturbing and destructive assaults upon Protective duties or special industries shall not be permitted.

*Resolved*, That the recent practice of overturning Protective duties, and bringing the whole system of tariff legislation into confusion by means of Treasury decisions in customs cases, is a cancer eating into the vitals of our industries, to a number of which it has already proved fatal. Owing to these decisions, for which subordinate officers unknown to the people are really responsible, a late Secretary of the Treasury found some important provisions of the law involved in such a maze of absurdities that he felt himself powerless to do justice, and referred the matter to Congress for remedial legislation. The subject demands immediate action, no less for the protection of the revenues of the Government than for the protection of the industries of the people, and we ask for the prompt adoption of an amendment to the laws which will furnish a rule for the decision of cases of disputed classification in harmony with the spirit and purpose of our Protective system of tariff legislation.

*Resolved*, That the decline of American shipping engaged in the ocean carrying-trade, which decline is injurious to the business of the country in peace and threatens its safety in war, is not attributable to any lack of materials or skill in the building of ships. The blame

rests solely with the Government, which, disregarding the teachings of our early history and the example of other maritime powers, treats this great interest of the country not merely with neglect but even discriminates against it. The ship on the ocean is similar to the factory on the land, and should be given the same measure of Protection to render competition equal. The American labor which is employed in the shipyard and in the ship on the ocean is entitled to exactly the same Protection accorded to American labor employed in any other industry. Our Government should treat American mail-carriers on the sea, going to foreign ports, exactly as it does its mail-carriers on the land, making no distinction between a ship in the foreign trade and a railroad car or a coast steamer. Our foreign carrying-trade should be built up through the adoption, by our Government, of a policy similar to that by which Great Britain and other European governments have built up their merchant marine—a policy broad, comprehensive, and equitable, such a policy as will induce the investment of capital in ships built in American shipyards and by American labor. This Convention urges upon Congress the importance of taking, immediately, such wise legislative action as this great national interest demands to bring it again to that position which is due to it and the nation itself.

*Resolved*, That the stamps on bank checks, proprietary articles, and matches should be abolished.

*Resolved*, That the several memorials of the vessel owners, of The Industrial League, of the Book Trade and Type Founders' Associations, of the Tinplate Manufacturers' Committee, and of the National Association of Wool Growers, are approved by the committee on resolutions, and directed to be published with the proceedings of the Convention, and that all other memorials and petitions presented by organized industries should be treated in the same manner.

The Convention then adopted a resolution introduced by Cyrus Elder, Esq., of Pennsylvania, recommending the appointment, by the Chairman, of a committee to lay the proceedings of this Convention before Congress and to urge such Congressional action as will be in accordance with the resolutions which have been approved by the Convention. The Chairman then appointed the following committee.

Hon. Daniel J. Morrell, Johnstown, Pennsylvania; John Roach, New York City; Hon. J. B. Grinnell, Grinnell, Iowa; Hon. R. W. Thompson, Terre Haute, Indiana; Hon. R. B. Bullock, Atlanta, Georgia; Charles H.

Cramp, Philadelphia; Charles Ridgely, Springfield, Illinois; Thomas H. Wells, Youngstown, Ohio; Harris Lewis, Herkimer, New York; J. C. Stevens, Kenton, Ohio; A. H. Jones, Philadelphia, Pennsylvania; Wellington Smith, Lee, Massachusetts; F. J. Kingsbury, Waterbury, Connecticut; J. J. Hagerman, Milwaukee, Wisconsin; James Park, Jr., Pittsburgh; Hon. Willard Warner, Tecumseh, Alabama; Governor A. J. Littlefield, Rhode Island; Ezra Rust, Saginaw, Michigan; Hon. Columbus Delano, Columbus, Ohio; Hon. Wm. Rogers, Bath, Maine; John Jarrett, Pittsburgh; John F. Henry, New York City; W. A. Gellatly, New York City.

The Convention then adopted a resolution, introduced by Hon. Willard Warner, of Alabama, tendering thanks to the various presiding officers and secretaries of the Convention for the faithful performance of their duties. A resolution was also adopted appointing the secretaries a committee to edit and publish the proceedings. At twenty minutes after 11 o'clock the Convention adjourned *sine die*.

## APPENDIX.

### MEMORIAL OF TINPLATE MANUFACTURERS.

The tinplate manufacturers presented the following memorial to the Convention, and the committee on address and resolutions authorized it to be printed.

TO THE PRESIDENT AND MEMBERS OF THE NATIONAL TARIFF CONVENTION: Noticing that the first action to be taken by the Tariff Convention will be to suggest a remedy for the injury done to American industries by erroneous Treasury Department decisions, we beg leave to call your attention to the following facts relating to the misconstruction of the law imposing duty on tin and terne plates, and on smooth and polished sheet iron.

The tariff act of 1864 contained a clause providing that tinplates or iron galvanized or coated with any metal otherwise than by electric battery shall pay duty at 2½ cents per pound; the sense of this is so clear that every thinking man will admit it to be a very hard task to construe this sentence in any other way than that tinplates (which is the commercial name for iron plates galvanized with tin) in particular, and iron plates coated with other metals in general, were to be covered by the same; yet the gentleman who was the Secretary of the Treasury in 1864 found a way to reduce the duty on tin and terne plates (terne plates are iron plates coated with terne, a mixture of lead and tin,) to 15 per cent. *ad valorem*, by deciding that the clerk who engrossed the bill made a mistake in placing a comma after the word tinplates, when he

should have placed it after the word iron, and that in his interpretation the law meant that tin plates as well as iron must be galvanized or coated with another metal in order to come under this provision, and that ordinary tin-plates (?) should be classed under the head of tin in sheets or plates at 15 per cent. *ad valorem*, or, in other words, as pure tin. While the sentence as first printed is comprehensible at first glance, Mr. Fessenden's punctuation reduces it to perfect nonsense. The certain article known as tinplate can only be made by coating iron with tin; therefore, according to Mr. Fessenden, iron must first be coated with tin and then again with another probably cheaper metal in order to come under this provision.

Of all erroneous Treasury Department decisions this one changing the place of a comma has certainly been the most absurd and the most detrimental in preventing the development of an immense home industry.

The following table shows the quantity, value, and amount of duties on imported tin and terne plates during the seventeen years succeeding Mr. Fessenden's decision, and ending June 30, 1881:

Year ending June 30th.	Pounds.	Value.	Duty.
1865.....	54,682,768	\$2,823,125	\$423,463
1866.....	114,181,760	6,172,924	925,938
1867.....	111,243,776	6,285,826	942,873
1868.....	112,000,000	6,966,490	1,044,973
1869.....	181,639,088	8,767,381	1,284,813
1870.....	150,932,768	7,608,228	1,141,234
1871.....	177,976,224	9,598,100	1,439,715
1872.....	196,522,704	12,312,428	1,841,884
1873.....	192,485,440	14,993,650	2,249,047
1874.....	169,318,912	12,992,923	1,948,938
1875.....	172,547,147	12,956,647	2,014,911
1876.....	197,927,509	10,222,802	2,175,014
1877.....	222,307,980	9,818,069	2,445,387
1878.....	242,646,871	9,893,639	2,669,115
1879.....	278,544,822	10,248,720	3,063,992
1880.....	354,030,000	16,518,113	3,894,330
1881.....	376,907,776	14,482,254	4,145,985
Total.....	3,305,895,545	\$172,661,319	\$33,651,612

The duty collected upon tinplates during these 17 years was, as shown, \$33,651,612; had the law been enforced correctly, and 2½ cents per pound been collected, the Government would have derived from this source \$82,647,388; thus the Government by this nonsensical misplacing of a comma was deprived of \$48,995,776.

This is the loss as far as we can calculate by the figures of the statistics, but the loss has certainly been much greater, for that decision has prevented the development of an industry which otherwise would rank as one of the fore-



most in this country. There is not another country in the world which consumes so much tinplate as the United States, and this consumption is increasing enormously every year; yet for a supply of that commodity we are entirely dependent upon foreign countries. That as good tin and terne plates can be manufactured in this country as in any other has been proven beyond a doubt, and hundreds of testimonials to this effect can be produced from consumers and dealers who have used and sold thousands of boxes of the United States product in preference to foreign brands.

A better idea of the importance of the tinplate trade may be gained by comparing the following two tables; the one shows the amount of all sorts of sheet iron, tank iron, boiler iron, ship plates, etc., produced in this country during six years, and the other one shows the quantity of tinplates consumed in this country, but produced in foreign lands:

QUANTITY OF PLATE AND SHEET IRON PRODUCED IN THE UNITED STATES IN SIX YEARS.		QUANTITY OF TINPLATES IMPORTED INTO THE UNITED STATES FOR CONSUMPTION IN SIX YEARS.	
1875.....	192,769 net tons.	1875.....	86,273 net tons.
1876.....	165,225 "	1876.....	98,964 "
1877.....	182,242 "	1877.....	111,153 "
1878.....	182,042 "	1878.....	121,323 "
1879.....	269,768 "	1879.....	139,272 "
1880.....	349,657 "	1880.....	177,015 "
Total.....	1,341,703 net tons.	Total.....	734,000 net tons.

The average selling price of sheet and plate iron in this country was, during the six years, \$75 per ton, showing the value of the sheet and plate industry to have been \$100,627,725. The average selling price of tinplates during the same period was \$115 per net ton, showing that trade to have been worth \$84,410,000.

The reason why we make this comparison is because tinplates are a finer grade of sheet iron, and the home manufacture of the same should be protected by a tariff that equalizes the price of American and English labor in the same proportion as the tariff that now equalizes the price of English and American labor expended upon sheet iron, etc.

The duty on iron plates coated with zinc is collected in accordance with the proviso before-mentioned, and is 2½c. per pound; the duty on Nos. 25 to 28 sheet iron is 1½c. per pound; steel sheets of the lowest grades have to pay 2½c.; but if either of these is coated with tin it is admitted at 1½c. per pound. Hoop iron and sheet iron cut in strips, coated with tin, must pay 2½c.

Nearly every particle of a tinplate represents labor. Take a piece of ore and a lump of coal, such as we find in our hills and mountains, and you have the primitive raw material, and this our country possesses in abundance and of the best quality. The block tin, which is necessary for the production of

tinplate, is only about 5 pounds to every 100 pounds of sheet iron. Tin ore is now said to be found in paying quantities in the State of Maine, but even if we have to import it from the Straits of Malacca, or from Australia, we could bring it as cheaply to New York as it can be brought to Liverpool.

The following figures will illustrate how many workmen would be provided with an occupation if the manufacture of tinplates and terne plates was as well protected as other branches of our iron and steel industry: As stated, the total consumption of tinplate during the year 1880 amounted to nearly 180,000 tons; a fully-equipped rolling mill with two trains of sheet rolls can produce about 2,500 tons per annum; and about 170 persons, consisting of puddlers, knobblers, rollers, heaters, tanners, etc., will find employment in each such mill. The tinplate manufacture would therefore occupy 70 rolling mills, with 11,900 men. To make a ton of tinplate we need  $1\frac{1}{10}$  tons of pig iron, or in all 234,000 tons to supply the demand of tinplate manufacturers. To produce this amount of pig iron 16 ordinary blast furnaces must run constantly, each of them giving occupation to 75 employees, or in all 1,200 men. The coal necessary to turn a ton of pig iron into a ton of tinplate is about 100 bushels, or 4 tons per ton of finished plate: total, 720,000 tons of coal. The coke necessary to reduce the iron ore required for this purpose will be about 800,000 tons; total, of coke and coal, 1,520,000 tons. A coal miner, if he works steadily the whole year, can mine about 1,000 tons on an average; thus it will take at least 1,400 men to produce the fuel. The mining of the ore, say 350,000 tons, will occupy 500 men, and the transportation of the different materials from place to place 1,000 men. This shows that 15,000 Americans are deprived of an occupation, and for the work which they could do we send annually \$12,000,000 abroad. The number of storekeepers, tradesmen, farmers, etc., who would find a livelihood by supplying these wealth producers and their families with the necessities of life would not fall short of 100,000 persons.

Is there any good reason why the development of this industry should be prevented by a discriminating low duty? It is argued that, by taking away this immense trade from England, we would still further reduce the condition of the poor people, who are now compelled to take their wives and small children along to work in rolling mills in order to gain their meagre livelihood. I believe we shall better their condition, for undoubtedly many of them will follow this industry if it is removed to this country; let them come—our country has yet room for millions of able-bodied people. Another argument has been made that the increased duty would injure other industries in which this article is now largely consumed. Admitting that during the first few years the price of tinplate would be enhanced, would our fruit and oyster canners suffer seriously by paying about 3 cents more per dozen quart cans? And would not our farmers be fully recompensed by the additional demand for their products coming from people occupied by means of this new industry?

But, aside from that, you can rest assured that, if Congress does not impose an additional duty on tinplates at its next session the English manufacturers certainly will, for it is hardly likely that they will sell us a box of tinplates for \$4.30 when they can make us pay \$8.60, (as they did eight years ago,) if there is nothing to prevent them.

About eight years ago, when the tinplate industry did not exist in this country, the prices of tinplates were so high that some enterprising citizens came to the conclusion that they could invest their money profitably by building tinplate works. At first the prospects were favorable, but the prices of imported plates went down lower and lower, until our home manufacturers were compelled to abandon the business and let their works stand idle. Yet the agitation for better Protection has been kept up, and by that the price of tinplate has been kept down; but if Congress refuses again to lend a near to the urgent appeals we have made so many times the agitation on this subject will die out, and the price of tinplate will go up, and instead of making English manufacturers pay us a revenue for dealing in our markets we shall have to submit to their laying a heavy tax upon us because we did not protect ourselves.

Gentlemen, I ask you: Can Congress do anything more just, more wise, more charitable, than to provide work for such large numbers of people by at once passing a resolution which will correct the old wrong committed by Mr. Fessenden?

Another industry which has been severely checked by misinterpretation of the law is the manufacture of smooth and polished sheet iron. It evidently was the intention of our legislators who enacted the tariff laws of 1864 that the industry should be fully protected, for the law reads: "Smooth or polished sheet iron, by whatever name designated, shall pay duty at 3 cents per pound." One can hardly doubt that the emphasis put into this clause was made to prevent the importation of finer grades of sheet iron under a new name, but it appears that one of the secretaries of the Treasury Department rendered the following decision: "Sheet iron of slightly-polished appearance, from being rolled in single sheets to toughen it for the manufacture of spoons, etc., should be classified as sheet iron, common or black, and pay duty according to its gauge." And on account of this decision all polished sheet iron, with the exception of one kind, is now brought in as common, and under this decision the finest kinds of highly-polished charcoal iron and annealed steel plates are daily imported as common or black sheet iron, and pay duty as such.

During Mr. Sherman's administration we took occasion to call his attention to this abuse, sending him at the same time samples of very bright polished plate; but the answer we received from the Department was, that the several appraisers of the different ports of entry had stated that those samples represented merchandise not commercially known as smooth or polished sheet iron, but that their proper classification was under the provision of the statute for common or black iron. That iron of which we speak is neither common nor black, but is made of high-priced raw material, and the labor expended in making it is nearly double that expended upon common sheet iron; after the sheets are rolled they are pickled or cleansed from scale in sulphuric acid, packed in air-tight boxes, and placed in annealing furnaces for a considerable length of time; then they are polished by passing them several times through bright-polished hard-chilled rolls, and then annealed once more; as only the most perfect sheets pass for No. 1 grade, the waste is consequently large. In commerce this kind of iron is known by many names, being called after the purpose for which it is used, such as stamping iron, tea-tray iron, show-card iron, pan iron, etc; but this fact only shows the reason why the

words "by whatever name designated" were attached to the provision under which we claim the iron should be classified.

Injurious as the practice of bringing in these polished sheets as common iron has proved to be for the home manufacturers, we have well-founded suspicion that the law is still further evaded by importing them packed in boxes under the name of black taggers at 30 per cent. *ad valorem*. Black taggers, or taggers iron, is the commercial name for very thin sheet iron, which is classified under the provision: "Taggers iron, and other castings of iron not otherwise provided for, 30 per cent. *ad valorem*." Yet, curious as this classification is, it is apparently the law, and we therefore shall have to submit to it until it is changed, but we do hope that this assembly will request Congress to take steps immediately by which these gross misconstructions regarding tin andterne plates, and smooth and polished sheet iron shall be corrected forthwith.

W. C. CRONEMEYER,

*Secretary Sheet Iron and Tin Plate Manufacturers' Committee.*

#### MEMORIAL OF SHIPOWNERS.

The following memorial was presented to the Convention by Hon. H. C. Calkin, of New York City, and the committee on address and resolutions authorized it to be printed.

MR. CHAIRMAN AND GENTLEMEN: The undersigned shipowners, recognizing the fact that our interests are identical with those of the manufacturing industries to be represented in the National Tariff Convention to be held in New York, on the 29th and 30th of November, desire to submit:

That we have struggled to maintain this vital element of our national prosperity under great discouragement from foreign competition and great peril of capital from the dangers incident to our late war; and that we regard the proposition to open our foreign commerce to foreign competition, without affording us the support of the restrictions upon the registration of foreign-built ships upon which we have hitherto relied, as an act of great injustice.

That, while our present investments in ships were made at a cost much greater than that at which foreign ships could be supplied, we can at the present time replace or extend these investments at a less cost for either wooden or iron ships; and that our interests will be better served by fostering shipbuilding at home than by encouraging the foreign producer who competes with it.

That in our opinion the immediate result of opening the English market to us for the purchase of ships would be the introduction into our coastwise and foreign commerce of the larger part of the present superabundance of inferior British vessels which are legally disabled by the well-known Plimsoll legislation, and the operation of the Merchant Shipping Act of 1876, from employment in the carrying trade of Great Britain.

And, further, that the admission to registration of foreign-built ships owned by citizens of the United States would inevitably open the door to the admission of foreign-owned ships as well. A nominal compliance with the requirements of our registration laws would make the property of citizens of any foreign nationality whatsoever eligible to all the privileges and protection of

the flag of the United States for as long or as short a period as they might desire to avail themselves of it. Our merchant marine would thus lose an incalculable benefit which would otherwise inure from the neutrality of our Government in the event of wars between foreign commercial nations.

We therefore desire our interests to be represented in the Convention, and trust that, in any future action which may be decided upon, a protest against the repeal by Congress of our navigation laws will be unanimously urged.

## SHIPOWNERS IN NEW YORK.

NAMES.	Steam. Tons.	Sail. Tons.	Steam in foreign trade. Tons.	Sail in foreign trade. Tons.
Pacific Mail Steamship Co., J. B. Houston, President.....	43,500	.....	43,500	.....
New York & Cuba Mail Steamship Co., Wm. H. T. Hughes, Sec'y and Treas.....	9,784	.....	9,784	.....
F. Alexandre & Sons.....	10,416	.....	10,416	.....
James E. Ward & Co.....	.....	3,125	.....	3,125
C. H. Mallory & Co.....	17,500	5,500	3,000	5,500
E. D. Hurlburt & Co.....	.....	1,470	.....	.....
Jas. A. Van Brunt.....	.....	10,000	.....	.....
Jas. W. Elwell & Co.....	.....	15,000	.....	.....
Hatton, Watson & Co.....	.....	2,000	.....	.....
Richard P. Buck.....	.....	10,000	.....	.....
Tupper & Beattie.....	.....	4,000	.....	.....
Lawrence Giles & Co.....	.....	10,000	.....	.....
Clark & Seaman.....	7,842	.....	1,656	.....
New York & Charleston Steamship Co., Geo. W. Quintard, President.....	5,000	.....	.....	.....
Morgan's Louisiana & Texas Railroad & Steamship Co., Bogert & Morgan, Ag'ts..	24,000	.....	5,500	.....
J. D. Fish & Co.....	.....	3,500	.....	1,500
Metropolitan Steamship Co., H. F. Dimock, Agent.....	7,500	.....	.....	.....
S. F. Chapman.....	.....	10,000	.....	.....
B. F. Metcalf & Co.....	.....	10,000	.....	.....
Swan & Son.....	.....	11,000	.....	.....
H. W. Loud.....	.....	100,000	.....	.....
Ocean Steamship Co. of Savannah, H. George, Agent.....	16,000	.....	.....	.....
Old Dominion Steamship Co., N. L. McCready, President.....	21,000	.....	.....	.....
Slaght, Bailey & Co.....	.....	20,000	.....	.....
Benjamin Flint.....	.....	10,000	.....	.....
Sutton & Co., owners and agents, sending over 60,000 registered tons a year.				

## SHIPOWNERS IN BOSTON.

NAMES.	Steam: Tons.	Sail. Tons.	Steam in foreign trade. Tons.	Sail in foreign trade. Tons.
F. W. Nickerson & Co.....	3,778		2,704	
Burt, Alexandre & Co.....	}	9,500		
Bridge, Lord & Co.....				
J. P. Elliott & Co.....				
John S. Emery & Co.....		17,300		17,300
D. D. Nelly.....		5,000		5,000
C. Lovell & Son.....		6,500		
J. Baker & Co.....		12,000		9,000
Doane Howell.....		8,000		1,000
T. L. Mayo & Co.....		5,000		1,200
E. H. Atwood.....		6,000		2,000
Witherspoon & Townsend.....		5,000		1,200
Fitz Brothers & Co.....		7,500		
Kilham, Lind & Co.....		22,000		10,000
B. Dickerman.....	600	2,000	600	2,000
R. Lewis & Co.....		7,500		7,500
C. & J. F. Baker.....		7,000		
Henry Hastings & Co.....		12,000		12,000
Nickerson & Co.....		5,100		5,100
E. Lawrence & Co.....		8,700		8,700
Wm. Harkins & Son.....				
E. L. Atwood.....				
John Humphrey.....				
Kinsman & Co.....		3,358		

## SHIPOWNERS IN BALTIMORE.

NAMES.	Steam. Tons.
Geo. J. Appeld, President Merchants' & Manufacturers' Transportation Co.....	18,000
Edwin Fitzgerald Freight & Mail Steamship Co.....	1,700
Howard B. Ensign, Pres't Maryland Steamboat Co. of Baltimore...	2,250
Reuben Foster, Gen'l Manager Baltimore, Chesapeake & Richmond Steamboat Co.....	7,000
The Harlan and Hollingsworth Co., J. T. Gause, Vice-President....	1,210
The Eastern Shore Steamboat Co. of Baltimore, J. T. Gause, Vice-President .....	1,314

## MEMORIAL BY BOOK PUBLISHERS AND TYPE FOUNDERS.

In behalf of the Book Trade Association of Philadelphia and of the Type Founders' Association of the United States, Mr. Henry Carey Baird, of Philadelphia, presented the following memorial, which the committee on address and resolutions authorized to be printed.

MR. CHAIRMAN AND GENTLEMEN: The representatives of the Book Trade Association of Philadelphia, and of the Type Founders' Association of the United States, beg leave to make to the Convention the following suggestions, mainly of a practical nature, and of especial importance to those industries with which they are themselves connected.

The duties at present levied on the imports of printing-paper, books, type, stereotype and electrotype plates, would be entirely satisfactory to the American producers of those articles could those duties always be honestly levied and collected. On the contrary, however, their experience with these commodities goes far to prove the soundness of the judgment of all the leading advocates of Protective duties, both in the past and the present, that all duties should, so far as it is possible, be specific instead of *ad valorem*, which latter form so large a portion of our present tariff.

There are few things the actual value of which it is so difficult to fix as a book, there being so many different books, and so many editions of many books, with such varying rates of discount for each book, and thus no uniform market price for any, and the value to the producer so different from that when in the hands of a *bona fide* purchaser. This condition of things gives a great and manifest advantage at the custom house to the English publisher having an agency in this country, who pays a much lower duty on books of equal value than the American bookseller who buys in England. We are well satisfied that the duty on all books should be levied by the pound, but, if this can not be obtained, then that all books costing under a certain price per pound should, in addition to the ordinary *ad valorem* duty, pay a specific duty by the pound. This would let in at moderate rates fine and valuable books, not reproduced in this country, and keep out many poor and cheap ones, which at present overwhelm the American market and crush out domestic competition. Such a provision of combined *ad valorem* and specific duties would tend to restore to the American paper-maker, type-founder, stereotyper, electrotyper, wood-engraver, printer, bookbinder, and publisher the trade in many cheap books (small Bibles and prayer-books, for instance,) which of late has been almost wholly transferred to Great Britain.

In the importation of type, electrotypes of wood-cuts, and stereotype plates of books great and glaring frauds are now perpetrated by means of the *ad valorem* duties levied on these articles. Type are invoiced at prices far below what are actually paid for them, and without regard to the cost of the machinery which is necessary to produce them. Electrotypes are invoiced at the mere cost of the electrotypes themselves, and without regard to the cost of the wood-cuts from which they are produced; and stereotype plates without regard to the cost of the setting of the type, but merely to the cost of the plates themselves. For the cost and use of the original cuts and the type-setting, and

sometimes for copyright on the original drawings and books, the American purchaser of English electrotypes and stereotype plates is obliged to pay. By means of false invoices, however, under a system of *ad valorem* duties, these legitimate and necessary items of cost are avoided at the custom house. Duties on type should be levied by the pound, and those on the electrotypes of woodcuts and stereotypes of book or other printed matter by the square inch, which is the manner and form in which they are largely, if not wholly, bought and sold.

#### MEMORIAL OF STAVE MANUFACTURERS.

The following memorial was introduced by Mr. C. McElroy, of Michigan, and the committee on address and resolutions authorized it to be printed.

MR. CHAIRMAN AND GENTLEMEN: The attention of the National Tariff Convention is respectfully asked to the fact that, on October 18, 1880, Hon. H. F. French, then Acting Secretary of the Treasury of the United States, ruled that the duty on barrel staves be reduced from 20 per cent. to 10 per cent., thereby causing serious trouble to manufacturers. This ruling ought to be promptly corrected.

#### MEMORIAL OF MAHONING VALLEY PIG IRON MAKERS.

The following memorial was presented on behalf of the Pig Iron Manufacturers of the Mahoning Valley by Mr. J. G. Butler, Jr., of Ohio.

MR. CHAIRMAN AND GENTLEMEN: The Pig Iron Manufacturers of the Mahoning Valley desire to have their opinions recorded in the proceedings of the Convention as follows:

The importation of steel blooms and partially made steel rails and the importation of English Bessemer pig iron are an injury and an injustice to the American manufacturers of Bessemer pig iron not connected with steel works.

#### RESOLUTIONS BY THE NATIONAL WOOL GROWERS' ASSOCIATION.

Hon. Columbus Delano, of Ohio, introduced the following resolutions, which were approved by the committee on address and resolutions.

At a meeting of the National Wool Growers' Association, convened at the Metropolitan Hotel, New York City, November 29, 1881, a committee was appointed to draft resolutions expressive of the sentiments of the Association in regard to the subjects under consideration by the Tariff Convention now in session in this city, and the following was presented and unanimously adopted:

*Whereas*, A proper adjustment of the tariff seems necessary to the development of the industries of the country upon which the national prosperity rests; and

*Whereas*, Such adjustment by Congress is impossible without accurate



information as to the relations of the several industries to each other at home and abroad, and the relations of consumers affected by them; and

*Whereas*, A revision of the present tariff is declared to be demanded by the changed condition of production, commerce, and finance since the present tariff was established; therefore, be it

*Resolved*, That the most important question now affecting all the industries of the country is the manner in which such revision shall be made;

*Resolved*, That in the judgment of this Association the wisest method for the accomplishment of this revision is through a Commission such as was provided for in the measure commonly known as the Eaton bill;

*Resolved*, That all questions of detail relating to the readjustment of the tariff should be left to the consideration of such a Commission as has been hereinbefore recommended.

#### THE DUTY ON QUININE.

The committee on address and resolutions authorized the following resolutions to be printed. They were introduced by Mr. Joseph Wharton, of Philadelphia, in behalf of the Industrial League.

*Whereas*, All legislation affecting questions of tariff should be upon full hearing of all parties in interest, and after due discussion and consideration; and,

*Whereas*, The duty on salts of quinine and sulphate of quinine was repealed by a special act passed in the most hasty manner, in the last days of an expiring session, and in opposition to the deliberate judgment of the committees of both Houses especially charged with the examination of all proposed tariff changes.

*Resolved*, That Congress be requested to repeal said act, and thus restore salts of quinine and sulphate of quinine to their former place in the tariff, and to so continue them until the question of what changes, if any, should be made in the rate of duty charged thereon and on the materials from which they are manufactured shall be passed upon by a Tariff Commission, and by the respective Committees of Ways and Means of the House of Representatives and of Finance of the Senate, and by Congress after due consideration.

*Resolved*, That this Convention holds that the domestic production of sulphate of quinine and salts of quinine is of the greatest importance to the people of all sections of our country, and should be protected and encouraged instead of being made subject to the adverse legislation under which it is now struggling.

*Resolved*, That a copy hereof be transmitted to Congress and to each member of the House of Representatives and of the Senate by the officers of this Convention.

#### REVISION OF STEAMSHIP LAWS.

The following resolution, introduced by Mr. B. S. Osbon, of New York City, was approved by the committee on address and resolutions.

*Whereas*, The steam-vessel interest of the United States, represented by tonnage aggregating 1,204,003 registered tons, and a capital of over \$600,000,000, is unjustly burdened by heavy taxation and onerous laws, some of which have the tendency to prevent capital being invested in this branch of industry the development of which tends to cheapen transportation of individuals as well as freights; therefore, be it

*Resolved*, That we recommend to Congress an amendment of the existing steamship laws, especially such portions of them as relate to the limit of liability of steam-vessel owners, and the reduction of the personal tax imposed upon masters, mates, pilots, and engineers of merchant vessels, which for years have been far in excess of the needs and cost of the inspection service, and also to regulate the laws governing the system of compulsory pilotage which now works so much hardship upon all classes of vessel owners, both steam and sail.

#### RESOLUTIONS BY TEXTILE-MACHINE BUILDERS.

The committee on address and resolutions authorized the following resolutions, introduced by Mr. Stockton Bates, of Philadelphia, to be printed.

*Whereas*, The textile-machine builders of the United States are greatly injured and the Government is defrauded in the evasion by importers of duties on machinery, parts of machinery, card-clothing, and general mill findings; and,

*Whereas*, These evasions of duties are accomplished in some one of the following ways, viz.:

a. By invoicing as second-hand practically new machinery. b. By importing more machinery than specified in the invoice. c. By omission of all patent rights from invoices. d. By undervaluation in invoices intended for the inspection of the customs officers. e. By not specifying the true value of the steel composing portions of machines invoiced. f. By shipments to agents at nominal values. g. By shipments of parts of machines at nominal values. h. By connivance on the part of Government employees; therefore, be it

*Resolved*, That legislation is needed upon the following points, and that the United States Congress should provide for—

1. Such construction of existing laws, and finally such change of law, as will prevent the importation of so-called second-hand machinery at other than a just value.

2. A law forbidding the importation of *bona-fide* second-hand machinery at less than from 50 to 75 per cent. of its value when new.

3. A new system in the admission of imports: Instructing consuls to accept no goods not properly described in the invoice; to require each case or package to be numbered to correspond with a separate package invoice, which should enumerate and name the contents of each package; all invoices for the custom-house should be certified by the manufacturer exporting machinery; examiners should be required to examine contents of packages, (selected by him at pleasure,) and compare the same with the numbered package-invoice furnished.

4. A clause should be inserted in the oath, to the effect that the true value of all patent-rights had been named in the invoice.

5. To establish a bureau at some important point in England and on the Continent, where should be kept on record the market price of every article exported to this country. Through this bureau all consular invoices should pass and be returned to the port of shipment certified as correct, after examination and comparison.

6. Undervaluations can perhaps hardly be prevented, or other frauds be brought to the knowledge of the Government, except by the employment of a higher grade of and much better paid officials. Adequate compensation and thoroughly competent officials should be insisted upon.

7. That the act of June 22, 1874, known as the Anti-Moiety Act, should be amended. As it stands at present there can be no convictions under it. Section 16 provides "that in all actions, suits, and proceedings in any court of the United States now pending or hereafter commenced or prosecuted to enforce or declare the forfeiture of any goods, wares, or merchandise, or to recover the value thereof, or any other sum alleged to be forfeited by reason of any violation of the provisions of the customs revenue laws, or any of such provisions, etc., etc., it shall be the duty of the court, on the trial thereof, to submit to the jury, as a *distinct and separate proposition*, whether the alleged acts were done with an actual intention to defraud the United States, and to require upon each proposition a special finding by such jury, etc., etc.; and in such cases, *unless intent to defraud shall be found*, no fine, penalty, or forfeiture shall be imposed."

#### THE BEET-SUGAR MANUFACTURE.

The following resolutions, offered by Mr. Lea Pusey, of Delaware, were authorized by the committee on address and resolutions to be printed.

WHEREAS, The importation of sugar, now amounting to about \$100,000,000 per annum, is of vast importance, not only in itself, but also in its relation to the great industries of our country, in that it saps the foundations of prosperity by virtually draining from our supply of the precious metals—the basis of our financial system—the immense sums required for payment; and

Whereas, The production on our soil of so necessary an article as sugar would lead to the employment of much idle capital and labor, thereby retaining these large sums in our midst; and would also add to the demand for the products of the numerous industries represented in this Convention, thus increasing and securing our present prosperity on a more permanent basis; and

Whereas, Experience has shown that the unaided introduction of the beet-sugar industry into this country has been and is attended with many and great difficulties, chiefly agricultural, involving risk and loss to capital, which deter it from venturing unaided into so uncertain a field; therefore, be it

Resolved, By this Convention, that, in its opinion, the interest of our whole common country would be promoted by the introduction among us of this great industry, now so successfully established on the Continent of Europe;

Resolved, That aid similar to that extended by the State and National gov-

ernments to our railroads in their infancy, and which has resulted so advantageously in promoting the development of the country, could be extended to the beet-sugar industry with like beneficial results;

*Resolved*, That this Convention, believing that the success of the beet-sugar industry will add greatly to the general prosperity of the country, and also place us in a position of independence for our supply of sugar, recommends to the General and State governments to extend aid thereto, at such times and under such restrictions as wisdom would dictate, thereby stimulating its early introduction.

#### THE INTERNATIONAL COTTON EXPOSITION.

The following resolutions, introduced by Hon. J. B. Grinnell, of Iowa, were approved by the Convention.

*Resolved*, That this Convention recognizes with especial satisfaction the awakening interest in national development in the Southern section of our common country, as evidenced by the International Cotton Exposition now being held at Atlanta, Georgia, and we pledge to our brethren of that section our cordial support in maintaining for them that Protection to home industries under which the Northern States have so long prospered.

*Resolved*, That we invite men of every political party and every section of the country to investigate the question of Protection to American industries as a purely business question, and to judge it by results achieved during the existence of the present tariff.



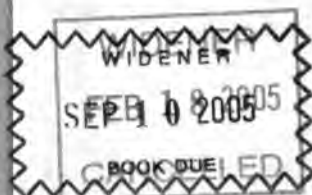


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